

2021 SUSTAINABILITY REPORT



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WELCOME! THIS IS AZUL'S 2021 SUSTAINABILITY REPORT!

It is with great pleasure that we invite you to browse through this publication to learn about our results, initiatives, values, and purpose – everything we did and how we evolved. In the following pages, we hope you can get a sense of our passion for what we do as well as our commitment to sustainable development and a better future for all.

Enjoy your reading!

NAVIGATION GUIDE

This report was prepared in accordance with the best international reporting practices: Global Reporting Initiative (GRI) – GRI Standards Core Option; Integrated Reporting Framework (IR or IIRC); Sustainability Accounting Standards Board (SASB) Aviation Industry Indicators; United Nations (UN) Sustainable Development Goals SDGs.

GRI Standards

Below the section titles or subtitles and at the end of some paragraphs, you will see the **GRI xxx-x** acronym with the number of the disclosure data that is being reported. To facilitate the location of these data, **pages 118 to 128** contain the GRI Content Index, which provides an explanation of each item along with the page where it can be found.

→ For more information visit <https://www.globalreporting.org>

SASB Indicators

This report also presents relevant indicators on sustainability in the aviation industry according to the SASB. To quickly access this content, search the index on **page 129** or look for the **SASB xx** acronym throughout the publication.

→ For more information visit <https://www.sasb.org>

Additionally, the beginning of each section contains some of the elements that reflect our commitments and strategy:

INTEGRATED REPORTING (CAPITALS)

Identifies where the content relating to each of the capitals supporting Azul's business model is addressed.

→ For more information visit <https://www.integratedreporting.org/>

SUSTAINABLE DEVELOPMENT GOALS SDGS

Identifies the priority SDGs icons that relate to the content of Azul's Report. A map showing where the SDGs are addressed is available on **page 7**.

→ For more information visit <https://sdgs.un.org/goals>



MATERIALITY

Clarifies the topics of our new materiality assessment.

→ Learn more on [pages 33 to 35](#)

GLOBAL COMPACT

Shows how the content of each section relates to the Ten Universal Principles of the Global Compact in the areas of Human Rights, Labor, Environment, and Anti-Corruption.

→ For more information visit <https://www.unglobalcompact.org/>

- Operational Safety
- Customer Experience
- Climate Change Management
- Ethics and Integrity
- Eco-efficiency
- Relationship with Partners
- Health and Well-being
- Development through Connectivity

Important Note

GRI 102-1

Throughout this report, we will refer to Azul Linhas Aéreas as “Azul”, to our employees as “Crewmembers”, and to our suppliers as “Partners”.

OVERVIEW

2021 was a historic year for Azul. We were the only airline in Brazil and one out of a few in the world to recover 100% of our domestic capacity in comparison to 2019 numbers. Our diversified fleet, combined with the competitive advantages of our exclusive network and the passion of our people, allowed us to move forward connecting Brazil, which resulted in one of the fastest recoveries in the world.

Our Crewmembers are truly passionate about what they do and deeply engaged, ready to overcome challenges and achieve goals with great safety, kindness, and attention towards our Customers.

The continuing partnerships we have established with our Partners and the trust that our Customers and Shareholders have in our products, services, and business model have also been instrumental in our recovery.

On the following pages, you will find details about these topics and many others. Furthermore, find out why Azul was voted Best Airline in the World in 2020 by TripAdvisor!



ABOUT THE REPORT

GRI 102-50, 102-52, 102-54, 102-56

In the 2021 Azul Sustainability Report, we show our strategic vision and our main practices in governance, environment, society, as well as the performance of our various areas from January 1st to December 31st of 2021.

The purpose of this annual report is to present in a simple, objective, and well-balanced manner, our actions in response to the market challenges of 2021. We are also reporting the initiatives of our leadership and the efforts of our Crewmembers to deliver innovative and sustainable products and services to our Customers.

This report was prepared in accordance with GRI Standards: Core option, and has not been verified externally.



MATERIALITY REVIEWED

GRI 102-46

We reviewed our materiality taking into consideration all the changes that periodically impact our industry. In this process, we assessed the important topics based on changes in the industry context; gained a better understanding of our impacts, risks, and opportunities; and improved our vision on how we create value.

In addition to meeting all requirements of financial and non-financial reporting standards, the materiality assessment allows us to understand our priorities, thereby ensuring even more assertiveness and transparency in preparing our strategy and reporting on performance. It also helps us to better

communicate the topics that are truly relevant to our Stakeholders.

After all, what makes a topic a material topic? According to GRI Standards 2021, a topic is material when it reflects the organization's significant economic, environmental, and social impacts and is prioritized according to its severity and the likelihood of occurrence as per the GRI Standards 2021 guidelines. Organizations may impact through their own activities, products, and services or as a result of their business relationships with other Stakeholders, such as Partners, Customers, or civil society institutions.

The materiality review took into account the context and impacts of each topic in accordance with the updated 2021 version of the GRI Sustainability Reporting Standards* (GRI Standards). The new material topics guided the process of preparing the Sustainability Report and its content.

→ You can learn more about our complete materiality review process in the [A Sustainable Business](#) section of this report.



Development through Connectivity and **Customer Experience** are related to our unique air network. **Climate Change Management**, **Eco-efficiency** and **Operational Safety** are directly connected with our young and diversified fleet. **Ethics and Integrity**, **Health and Well-being**, and **Relationship with Partners** connects us to our people.

*Azul is already using the updated version of GRI standards for its materiality assessment: G3 Material Topics 2021, which will become effective on January 1, 2023. The GRI-referenced claims in this report, however, still follow the 2016 version of the Standard.

Sustainable Development Goals Map

All of Azul's material topics are related to the Sustainable Development Goals (SDGs), a global agenda adopted during the United Nations Summit on Sustainable Development in September 2015, consisting of 17 goals and 169 targets to be achieved by 2030

The side table shows the SDGs that are directly related to our material topics.

By sharing the main highlights of our operations in 2021, we put into practice our commitment to transparency and sustainable growth of our business. In this report, you will find information about Azul's values and culture, performance, how we create value for our society, and our vision for the future.

→ [More information about Azul is available at Relationship with Partners.](#)

→ [Suggestions or questions about the content of this report can be emailed to invest@voeazul.com.br. GRI 102-53](#)

→ [Previous editions: 2020 Sustainability Report](#)
[2019 Sustainability Report](#)



SDG TARGETS

<p>3 GOOD HEALTH AND WELL-BEING</p> <p>Ensure healthy lives and promote well-being for all at all ages.</p>	<p>5 GENDER EQUALITY</p> <p>Achieve gender equality and empower all women and girls.</p>	<p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p>	<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> <p>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.</p>	<p>10 REDUCED INEQUALITIES</p> <p>Reduce inequality within and among countries.</p>	<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> <p>Make cities and human settlements inclusive, safe, resilient and sustainable.</p>	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>Ensure sustainable consumption and production patterns.</p>	<p>13 CLIMATE ACTION</p> <p>Take urgent actions to combat climate change and its impacts.</p>	<p>15 LIFE ON LAND</p> <p>Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.</p>	<p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p> <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.</p>	<p>17 PARTNERSHIPS FOR THE GOALS</p> <p>Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development.</p>
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AZUL'S COMMITMENTS

<p>Promote safety as Azul's #1 value;</p> <p>Provide a proactive wellness program for Crewmembers;</p> <p>Promote medical care through our network (Pink October, Organ Transport, Hospital de Amor).</p>	<p>Ensure the full and effective participation of women and equal opportunities for leadership at all levels;</p> <p>Combat all forms of discrimination against women.</p>	<p>Establish trainee and scholarship programs;</p> <p>Protect human rights in our operations and supply chain;</p> <p>Create direct and indirect jobs through our sustainable growth.</p>	<p>Support infrastructure development in local airports;</p> <p>Encourage innovation among Crewmembers.</p>	<p>Reduce inequality within and between countries, mainly through the Jovem Aprendiz and Associação Voar programs.</p>	<p>Promote local economic development by connecting underserved (or not served) cities;</p> <p>Ensure that services are not limited to high-density urban destinations, but also remote areas.</p>	<p>Ensure sustainable production and consumption patterns;</p> <p>Ensure zero landfill system in our hangar operations;</p> <p>Ensure 100% recycling of snack packaging in-flights and promote on-board waste management by ReciclaZul.</p>	<p>Maintain the youngest fleet in the country with fuel-efficient aircraft;</p> <p>Monitor, relate, and manage Greenhouse Gas (GHG) emissions.</p>	<p>Protect, restore and promote the sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt loss of biodiversity;</p> <p>Guarantee the non-smuggling of wild animals through training with the airports team and the Federal Police.</p>	<p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and building effective, accountable and inclusive institutions at all levels;</p> <p>Maintain the Programa Integridade, guaranteeing operational integrity for all our Crewmembers.</p>	<p>Establish partnerships with government authorities, regulators, manufacturers, and Partners on issues involving actions to promote health and safety (people and operations) and climate protection.</p>
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RELATED MATERIAL TOPIC

<ul style="list-style-type: none"> Development through Connectivity Health and Well-being Operational Safety 	<ul style="list-style-type: none"> Development through Connectivity 	<ul style="list-style-type: none"> Development through Connectivity Health and Well-being Operational Safety Relationship with Partners 	<ul style="list-style-type: none"> Development through Connectivity 	<ul style="list-style-type: none"> Development through Connectivity 	<ul style="list-style-type: none"> Development through Connectivity Customer Experience Climate Change Management 	<ul style="list-style-type: none"> Eco-efficiency 	<ul style="list-style-type: none"> Climate Change Management Eco-efficiency 	<ul style="list-style-type: none"> Ethics and integrity Customer Experience 	<ul style="list-style-type: none"> Ethics and integrity Customer Experience 	<ul style="list-style-type: none"> Ethics and integrity Relationship with Partners
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Welcome Aboard

GRI 102-14

PASSION FOR FLYING!

2021 was an eventful year for Azul. It was the year we resumed operations and recovered the fastest among all Brazilian airlines.

With this recovery – one of the fastest in the world – we remained focused on our domestic network and ended the year flying to more than 140 destinations – a notable addition of more than 30 destinations when compared to 2019. This noteworthy growth will contribute to a significant increase in demand in our network.

We respectfully owe these achievements to our Crewmembers. Azul is made up of people who are passionate about what they do, and our outstanding recovery was only made possible because of everyone's engagement. Our team is what sets us apart. Hence, I would like to thank each one of our Crewmembers for their dedication and commitment during a year in which we proved that together we can fly much higher!

Our diversified fleet connects Brazil with more than 900 daily flights. With 1,159 new Crewmembers in 2021 (10% more than in 2020), we were able to fly to all regions of Brazil. These are the pillars that allowed us to achieve an 87% recovery in our net revenue compared to 2019, reaching almost R\$ 10 billion in the year. In the fourth quarter of 2021, we recorded a record revenue of R\$3.7 billion, also supported by our other business units.

Azul Cargo, our unrivaled logistics solution that currently serves more than 4,500 Brazilian cities and communities, achieved a very positive result: it more than doubled its revenue in 2021, reaching a net revenue of R\$1.1 billion, well above our expectations. We remain focused on the mission of transforming logistics in Brazil, leveraging our network, expanding our fleet of freighters, and also increasing available space in our aircraft dedicated to tourism and business trips. This all promotes greater efficiency in fuel consumption and, consequently, a reduction in CO₂ emissions. Azul Cargo is the perfect platform to support the growth of our Customers.

Our history shows that we were able to transform the Brazilian passenger market. We are sure that Azul Cargo will do the same in logistics: with efficiency, hard work, and innovation.

We want to offer our Customers the best flight experience of their lives to earn their trust and preferred choice. To achieve this, we invest in our caring and specialized Crewmembers, providing high-tech technology and differentiated benefits. We accompany the Customer's journey from the moment they decide to buy a trip until the moment they return home. All of these initiatives are why 69% of our Customers strongly recommend Azul to others.

Our TudoAzul loyalty program also grew in 2021, reaching 14 million members at the end of the year and grossing 21% higher revenue than in 2019.



“ IN 2021,
WE CONTINUED
WITH OUR
HUMANITARIAN
FLIGHTS,
TRANSPORTING
REFUGEES AND
VACCINES THAT
HELPED SAVE
LIVES ACROSS
BRAZIL. ”

Similarly, Azul Viagens, our tourism business, sold 30% more packages in 2021 than in 2019. This is another direct reflection of the advantages of our flexible fleet and unique air network, which allow us to reach destinations that could not previously be reached by plane. Together with Azul Conecta, we complemented our operation and reached 147 destinations, connecting all of Brazil.

Our solid, efficient administrative and financial management also contributed to this fast recovery and strengthened the financial market's confidence in our company. We achieved a positive result in 2021, ending the period with R\$4.1 billion, 40.6% higher than 2019, and more than R\$600 million above what we had projected. In the year, our EBITDA reached R\$1.6 billion, representing a 16% margin that demonstrates the profitability potential of our businesses.

We continue our determination to bring people, communities, and companies together, making a significant contribution to the sustainable development of our business and our country. Our responsibilities also include acting with dedication and effectiveness to our Environmental, Social, and Governance (ESG) commitments. We are the best airline in the world and we work to leave the legacy of being also the best for the world! We have ESG commitments that are a reality for Azul and, in fact, widely recognized by the market.

In 2021 this recognition was reinforced by our inclusion in the Corporate Sustainability Index (ISE) of B3, the Brazilian Stock Exchange, also improving our CDP score to "B", indicating our good performance in environmental initiatives. CDP is an international non-profit organization, considered the leading financial sector initiative concerning climate change mitigation.

We are also recognized for our socially responsible way of acting. We make a difference in the communities in which we operate throughout the country. We support a series of initiatives and projects that promote social inclusion as a means of combating social inequality.

Our Volunteer Program reached in 2021 the mark of 2,754 Azul volunteers who carried out more than 350 actions and directly benefited more than 12,000 people. Our humanitarian flights continued carrying donations to needy communities across the country, healthcare workers, organ transplants, and refugees. We continue to be available for Brazil's flights, along with encouraging our Crewmembers to take doses of the Covid-19 vaccine. Our Crewmembers continue to mentor young people in situations of social vulnerability, helping them to broaden their professional and social perspectives.

For everything that was done in 2021 in which we continue into 2022, I can reaffirm my confidence in our strength and resilience, as we overcome previously unimaginable challenges as well as our ability to adapt quickly, protecting our people and our values, connecting Brazil with excellence and safety.

I often say that the biggest test for a company is how it acts in the face of adversity. With boldness and courage, we reap the fruits of our efforts, being more than prepared to continue growing and designing our medium and long-term future.

The following pages contain everything that Azul did in 2021, giving justice to the title of Best Airline in the World, awarded to us in 2020 by the Traveler's Choice ranking of TripAdvisor, the world's largest travel platform. We are a company that does good, made for the people by the people. We connect people and dreams and generate social and economic development for all regions of Brazil. We are proud of everything we have built and excited for the future. That is our business. That is our passion. Embark on this journey with us!

John Rodgerson

President & CEO of Azul Linhas Aéreas Brasileiras

OUR VALUE GENERATION



In this section, you will find our initiatives related to:

INTEGRATED REPORTING:
Financial Capital; Manufactured Capital, Intellectual Capital

SDGs:



MATERIAL TOPICS:



WE ARE AZUL

GRI 102-6

We are the largest airline in Brazil in terms of departures and cities served, with nearly 900 daily flights to 147 destinations. In addition, we also have:

Over 23.3 million
people transported in 2021 - a recovery of
84.2% compared to 2019

147 destinations
in 2021, being **5 International and 142 are Domestic**. In 2019, it was 114 destinations
(10 International and 104 Domestic).

Our goal is to connect people with their dreams and needs. With our diversified fleet, we fly all over Brazil, serving urban cities as well as remote regions of the country.

Founded by David Neeleman in 2008, Azul had its name chosen by Customers through the Você Escolhe (You Choose) contest, which received more than 140,000 suggestions. Our inaugural flight, AD4062, took place on December 15, connecting Campinas (VCP) and Salvador (SSA).

Check out the highlights of our trajectory in the [Milestones](#) section of this report. Throughout 2021, we remained focused on the sustainability of our business model, which we put into practice thanks to our teams, diversified fleet and unique network.

Who we are

GRI 102-16



VISION

Together, build the best
airline in the world.



MISSION

Make Azul the **best job of our**
lives and the best flight for
our Customers.



VALUES

Safety

Nothing is more important.

Consideration

Treat others as they would
like to be treated. Observe,
Perceive, and Attend.

Integrity

Be a good example.

Passion

Love what you do.

Innovation

Be open-minded and do
better each day.

Excellence

Be great at what you do.



MILESTONES

2008
Founding of Azul Linhas Aéreas.

Inaugural flight between Campinas (SP) and Salvador (BA) with an Embraer 195 jet.



2009
On October 31st, we celebrate **1 million Customers transported**.
Azul Cargo and **TudoAzul** are born.
Operations to **Santos Dumont Airport (RJ)** begin.



2010
Azul Viagens is born.
Operations to the **Brasília (DF)** and **Congonhas (SP)** airports begin.
On March 1st, the interior of São Paulo receives its first routes, with flights to **Ribeirão Preto** and **São José do Rio Preto**.



2011
An Embraer 195 jet is painted pink in support of the **Pink October** campaign for breast cancer prevention.

2012
The merger with **Trip Linhas Aéreas** is announced on May 28th – together, the two companies now serve more than 100 cities with regular flights.



2017
Azul goes public with shares traded on the Brazilian (B3: AZUL4) and New York (NYSE: AZUL) stock exchanges.
Flights to **Buenos Aires (Argentina)** begin.



2016
On October 20th, we started operating our **first Airbus A320**. Salvador is the first city to receive the new aircraft.
Scheduled flights to **Montevideo (Uruguay)** and **Lisbon (Portugal)** are announced.

2015
United Airlines buys 5% of Azul's shares.
Part of the company's capital is sold to China's **HNA Group**.
A consortium led by David Neeleman wins the bid to buy **TAP Air Portugal**.



2014
On December 1st, our **first international flight**, AD8704, takes off between Campinas (SP) and Fort Lauderdale (USA).



2018
United Airlines increases its stake in Azul to 8%.
The HNA Group sells its stake in the company.

2019
Beginning of **Associação Voar**, a non-profit institution with the purpose of making people achieve their professional dreams to work in the aviation sector.
Beginning of the transport of refugees for **Operation Acolhida**, a humanitarian mission of the Armed Forces to respond to the flow migration of Venezuelans who arrived in Brazil.
Commitment endorsed with the Sustainable Development Goals SDGs of the United Nations (UN), ensuring an increasingly social action engaged throughout Brazil.
Arrival of the first Embraer E195-E2 jet in the world, the largest passenger aircraft ever produced in Brazil.



2020
Azul is elected the **Best Airline in the World** by Tripadvisor.
Start of **Azul Conecta's** operations (due to the Two Flex acquisition).
The **maintenance hangar in Campinas, São Paulo**, begins operations.



2021
Agreement signed with the German company Lilium for the acquisition of **eVTOL aircraft**.
Azul joins the celebration of the **50th anniversary of Disney theme parks** in the U.S.: The Airbus A320neo launches in tribute to Mickey Mouse and introduces Minnie's A321neo. The two airplanes are part of a series of four aircraft representing the "World's Most Magical Fleet," which fly on domestic routes to more than 40 cities in Brazil.



BUSINESS UNITS GRI 102-2, 102-4, 102-6

Our structure is composed of four business units that work in harmony to ensure efficiency and sustainability. This synergy enhances the financial return and maximizes the efficiency of our aircraft.

Azul connects all regions of Brazil, giving Azul Cargo Express a competitive advantage in terms of agility in delivering cargo

and parcels to more distant locations. The TudoAzul program builds Customer loyalty with its benefits, while the travel operator Azul Viagens offers our Customers a complete tourism experience.

Azul Conecta connects remote regions to large urban cities, providing Azul's air network with a great regional coverage, being present in all regions of Brazil.



Launched in August 2020, as a result of the acquisition of TwoFlex, Azul Conecta focuses on regional aviation and cargo transport. It serves 38 cities and reinforces our presence in all regions of Brazil. Azul Conecta connects remote regions to large urban cities, providing Azul's air network with a great regional presence.

Our regional airline and cargo transport company was created to strengthen our regional presence. With it, we will be able to reach 200 destinations in the coming years, connecting small towns to large urban centers and giving our Customers easy access to our air network, connecting them to all regions of Brazil and the world.

Azul Conecta has a fleet of 17 Cessna Grand Caravan aircraft and 3 cargo planes that serve 22 destinations. Destinations include Paragominas (PA), Bagé (RS), Jundiá (SP), Barra do Garças (MT), and Serra Talhada (PE).

→ [Click here to learn more about Azul Conecta.](#)



With the TudoAzul loyalty program, our Customers can collect points and redeem them for airline tickets, products, or services in various ways. Many Partners are associated with the program, allowing Customers to choose from four membership categories: Basic, Topaz, Sapphire, and Diamond.

Our Customers can also subscribe to the Clube TudoAzul with a monthly subscription where they can collect points and exchange them for airline tickets, products or services. Subscribers also have exclusive discounts, benefits, and advantages in transferring credit card points to the program.

→ [Click here to learn more about TudoAzul.](#)



Azul Viagens is our tour operator with stores in Brazil and abroad, serving more than 100 destinations, including flights, hotels, transfers and tours. With a strong presence in Brazil, we offer a wide variety of touristic packages in the country as well as international destinations. Azul Viagens Partners with Disney, Universal, and other parks in Florida (USA), offering complete packages with accommodations, tickets, and meals at these magical destinations. By promoting tourism in the regions served by Azul Viagens, we were able to generate new jobs indirectly helping the local economy.

→ [Click here to learn more about Azul Viagens.](#)



In 2021:

+4,500 destinations served

2,000 destinations with deliveries within 48 hours



R\$ 1.1 billion

revenue — more than doubled compared with 2019, exceeding the R\$1 billion target



Our cargo and parcel transport unit is the only logistics provider in Brazil with an air network that serves more than 140 destinations. It offers distribution services in various categories such as "door-to-door" express deliveries, critical shipments, and consolidated cargo. We provide these services to companies (B2B) and Customers (B2C).

Its integrated network, with air and road transport, provides an innovative logistics experience for people and companies. 310 stores serve 4,500 cities in Brazil, as well as international destinations such as the United States, Portugal and Uruguay.

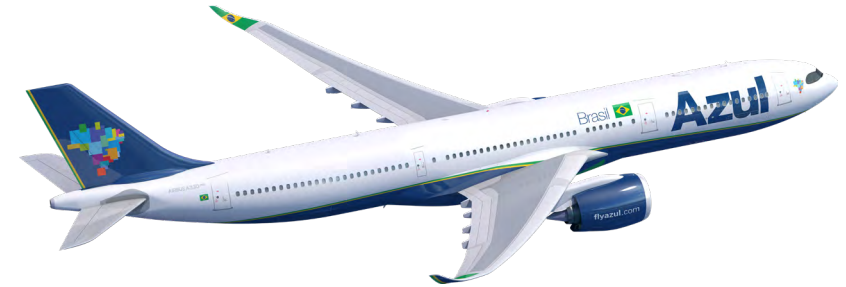
→ [Click here to learn more about Azul Cargo Express.](#)

It is more sustainable by plane

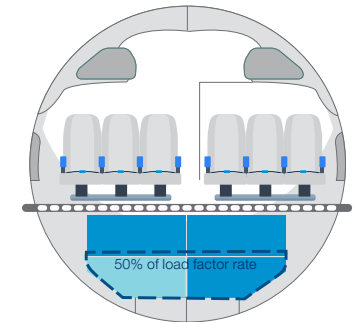
Making a comparison of cargo transport in various models, we concluded that taking advantage of our domestic passenger flights to carry cargo in the belly of our aircraft generates a lower absolute CO₂ footprint.

For calculation purposes, we consider aircraft weight, fuel consumption and other recommendations in accordance with the International Civil Aviation Organization (ICAO), considering that already in-use domestic flights would optimize our carbon footprint as long as we take advantage of the space in the belly of the aircraft to transport cargo, avoiding any new emissions.

We use the belly of passenger aircraft which would be already in-use to carry cargo, allowing us to “take advantage of the margin”. This way, we are avoiding a new transportation load usage. Using the belly of our aircraft for cargo, 12% of the space is repurposed which also corresponds to 12% of the total emissions in Airbus Narrowbody trips, our most used models for domestic travel.*



CONTINUOUS OPPORTUNITY OF CARGO CAPACITY



- Load factor rate of 50%, half referring to luggage
- Opportunity to triple cargo capacity, in addition to fleet growth with a state-of-the-art aircraft with greater capacity

ORIGIN	MANAUS	FORTALEZA	GUARULHOS	CAMPINAS	CAMPINAS
DISTANCE (KM)	2,628	2,390	2,101	2,452	2,108
DESTINATION	CAMPINAS	MANAUS	RECIFE	BELÉM	RECIFE
CO₂ Emission					
AIR TRANSPORTATION	35.4	31.3	27.9	32.7	27.9
ROAD TRANSPORTATION	157.7	143.4	126.1	147.1	126.5
RAILWAY TRANSPORTATION	262.8	239.0	210.1	245.2	210.8
CAR TRANSPORTATION	320.6	291.6	256.3	299.1	257.2

*Source: Calculadora Eccaplan

REGIONAL INTEGRATION

Due to our reach, diversified fleet, and exclusive network, we play an important role in integrating the most remote regions of Brazil with large urban centers. This connectivity leads to social and economic development in these locations, in addition, gives access to services that are only available in larger cities. The connection between Azul Conecta and Azul's network facilitates contact with any part of the world. We are the airline with the largest presence in the Amazon region, reaching and connecting remote destinations that would only be accessible to large cities by river or road. Thanks to the integration of our fleet, we were able to take humanitarian missions to the cities we serve, transporting organs, vaccines and many other supplies for the population of these regions.



AZUL IN NUMBERS

GRI 102-6, GRI 102-7


AIR NETWORK


 **900 daily flights**
142 domestic destinations
5 international destinations

 **23 million**
 people served

 **140.8 million**
 tons of cargo transported

FLEET

 **161 commercial aircraft**
 in operation
6.6 average age in years

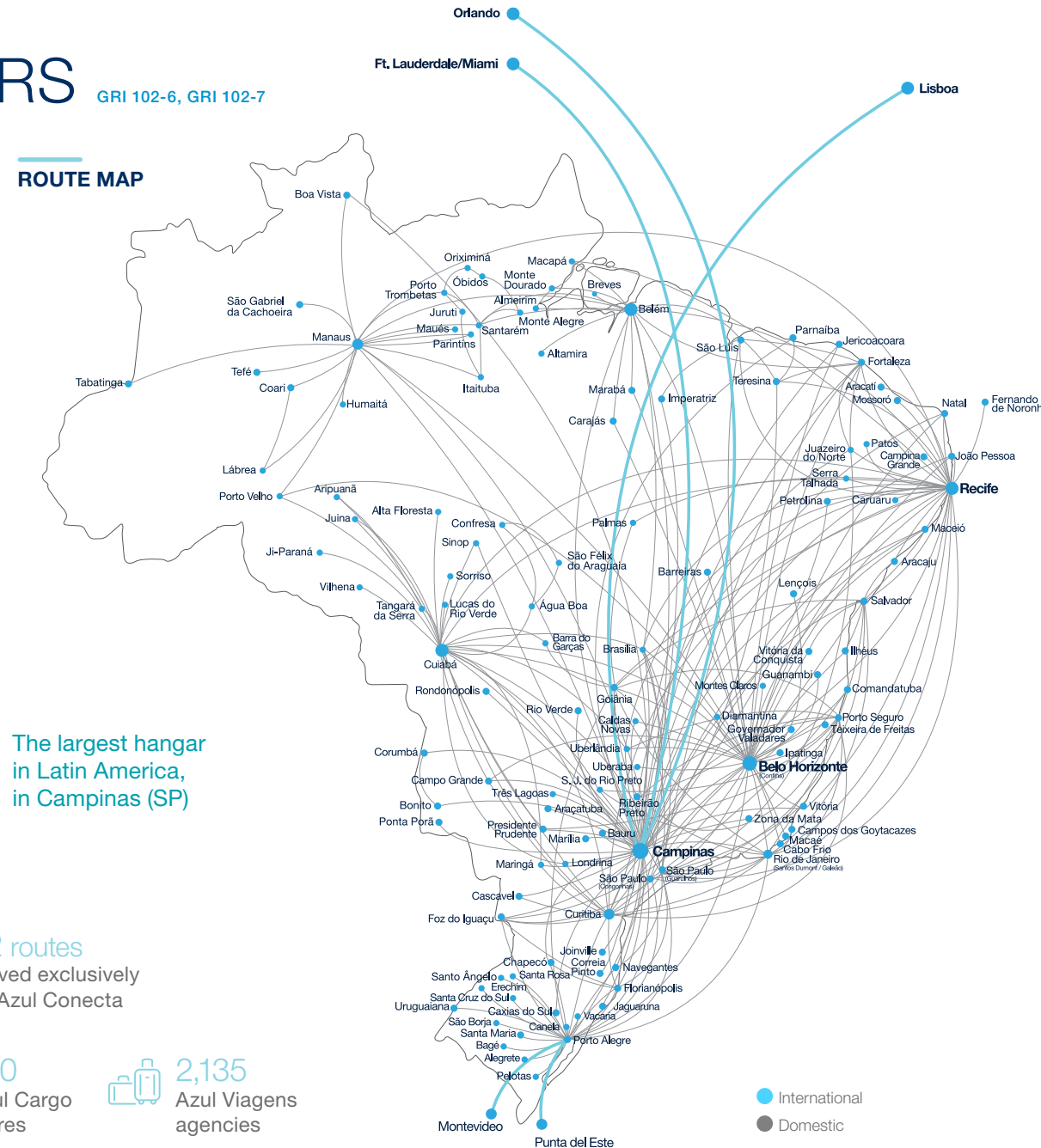
 **4 hangars**
 in Campinas (SP), Pampulha (MG),
 Manaus (AM), and Campo Grande (MT)

CUSTOMERS


 **23.3 million**
 Customers served in 2021
 (up 57.6% from 2020)


 **14 million**
 TudoAzul loyal
 Customers

ROUTE MAP



The largest hangar
 in Latin America,
 in Campinas (SP)

 **22 routes**
 served exclusively
 by Azul Conecta

 **310**
 Azul Cargo
 stores


 **2,135**
 Azul Viagens
 agencies

● International
● Domestic


CREWMEMBERS

 **13,163 Crewmembers**
1,970 pilots
3,038 flight attendants
2,976 part of the airport crew
2,040 part of the maintenance crew
895 part of the call centers
2,244 other categories with their nomenclatures

PARTNERS

 **4,953 Partners**
82% national
18% international

RESULTS

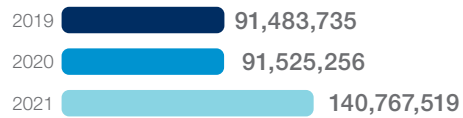
 **R\$10 billion**
 in net revenue

 **R\$1.6 billion**
 in adjusted EBITDA

333,680,010 equivalent preferred shares with a market value of R\$8 billion



TONS OF CARGO TRANSPORTED



DESTINATIONS WITH DELIVERIES WITHIN 48 HOURS



CITIES SERVED

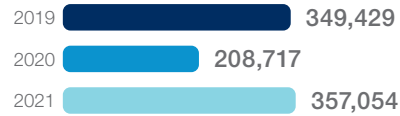


HUMANITARIAN FLIGHTS

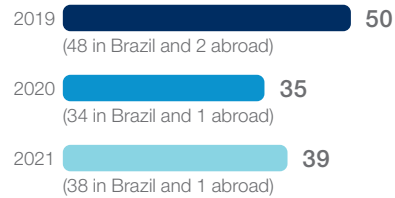
611 organs transported in 2021 and **more than 2,500** transported since initiating



CUSTOMERS SERVED



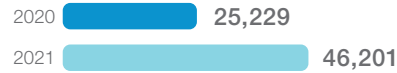
STORES IN BRAZIL AND ABROAD (reference month: December)



51 million doses of vaccines transported in 2021 **with 4 million more** transported in 2022



CUSTOMERS SERVED



AIRCRAFT FLEET



PROGRAM MEMBERS (millions)



DIVERSITY OF OUR FLEET

We are a diversified and young fleet. This is what helps us connect with people and enables us to fly higher and farther. The diversity of our fleet allowed us to have the connectivity to operate in all regions of Brazil and to quickly resume normal levels of activity in 2021.

This fleet consists of 161 aircraft of various sizes. It includes the following aircraft: ATR, E-Jet, A320neo, A330, Boeing 737, Cessna Grand Caravan, and now Embraer E195 cargo planes converted to F Class, allowing us to travel where no other airline can, bringing Development through Connectivity (*more on our materiality assessment on [page 33 and 35](#)*).

At Azul, we follow the concept of "the right aircraft for the right mission." This means that we pick the right aircraft for each flight, which gives us financial and environmental advantages such as lower costs and reduced carbon emissions.



MACROECONOMIC OUTLOOK IN THE AVIATION MARKET

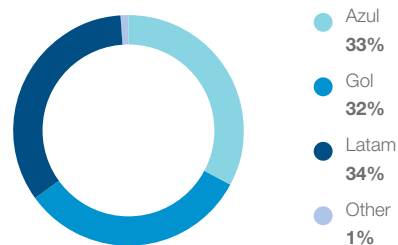
GRI 102-15

Brazil ended 2021 with a GDP (Gross Domestic Product) growth of 4.6%, according to the Brazilian Institute of Geography and Statistics (IBGE), totaling R\$8.7 trillion. This helped to overcome losses from 2020 when the effects of the pandemic caused the economy to shrink by 3.9%.

During 2021, the Brazilian real (BRL) depreciated against the US\$ dollar by 7.4% compared with 2020 and 38.4% compared with 2019. The average price of jet fuel reached a record price, rising 29.7% compared with 2019 and 43.3% compared with 2020.

In the face of all these challenges, 2021 was a year of strong recovery for Azul, with significant improvements in demand, revenue, and profits compared with the previous year.

AZUL'S PARTICIPATION IN THE DOMESTIC MARKET RPK* (%)



Data from ANAC's Demand and Supply Report, referring to December 2021.

Aviation Market

The aviation industry was undoubtedly one of the sectors most impacted by the pandemic. Nevertheless, throughout 2021, notably in the second half of the year, aviation recovered most of its demand, especially in the leisure segment.

Data from December 2021 released by the National Civil Aviation Agency (ANAC) - Brazil's civil aviation regulatory agency - show the rapid recovery of the sector: 62.6 million people were transported in the year, up 38.3% from 2020. In December 2021, we witnessed the highest number of passengers flying in Brazil since the beginning of 2020.

Azul's net operating income in 2021 was R\$10 billion. The Revenue per Available Seat Kilometers (RASK)¹ returned to 2019 levels, with an increase of 11.9% compared with 2020. During the year, we gradually rebuilt our network, ending the year with a 53.9% increase in capacity and a 52.4% growth in Revenue Passenger Kilometer (RPK)², resulting in a load factor of 79.2%. Compared with 2019, capacity for domestic flights and RPK increased by 6.8% and 2.8%, respectively.

¹ RASK (Revenue per Available Seat Kilometers): operating revenue divided by available seat kilometers.

² RPK (Revenue Passenger Kilometer): calculated by multiplying the number of revenue passengers by the number of kilometers flown.

Business and Tourism Travel

Brazilians have "rediscovered" Brazil in recent years. With many countries imposing restrictions on flights during the pandemic, people have started to travel more domestically. With the return of economic activities, business trips started increasing again, and the number of leisure trips remained high. In 2021, we had a clear recovery in demand, of 14.7% compared to 2019.

AWARDS AND RECOGNITION

In 2021, our excellence was recognized through the following awards:



CONSUMIDOR.GOV.BR – public and free service that allows direct dialogue between Customers and companies to resolve conflicts quickly and without bureaucracy. In the Air Transport segment, Azul leads the Solution Index, with 91.8% in the last 365 days, and the Satisfaction Index with a score of 4.2 out of 5. The tool is monitored by the National Consumer Secretariat (Senacon) of the Ministry of Justice, Procons, Public Defenders and Ministries, in addition to the general society.



COMPANIES AND LEADERS WITH THE BEST REPUTATION IN BRAZIL IN 2021 – ranking organized by the Corporate Reputation Business Monitor (Merco). Azul ranked second in the Transport category and 51st in the general ranking.



COMPANIES THAT MOST RESPECT CONSUMERS – Azul accumulates seven awards (2020, 2019, 2017, 2016, 2015, 2014 and 2012) as the best airline in the ranking of Consumidor Moderno magazine, which recognizes companies that respect the consumers, based on the effective experience of Customers.



INSTITUTIONAL INVESTOR – one of the most respected awards in capital markets in the world chose our CFO, Alexandre Malfitani, as the third best CFO in the transportation sector in 2021.



KAYAK TRAVEL AWARDS 2021 – we won first place in the Best Boarding, Most Comfort, Best Crew, Best Entertainment, and Best Food categories. The award highlights companies that offer travel services, rated by travelers.



RIO'S MOST BELOVED – promoted by Veja Rio magazine, it reveals the places, brands and favorite products of cariocas in 30 categories. In 2021, Azul won in the Airline category.



THE MOST ADMIRED HR IN BRAZIL AND LATIN AMERICA – promoted by Grupo Gestão RH, this annual survey recognizes Human Resources executives who are a reference for the market. Camila Almeida, People Director at Azul, was recognized.



MODERN CONSUMER AWARD FOR EXCELLENCE IN CUSTOMER SERVICES 2022 – we won first place in the Airline category, in the largest and most complete assessment of the quality and experience of Customer services in Brazil organized by the Consumidor Moderno magazine. Azul already with a win in 2020.



RECLAME AQUI 2021 AWARD – Azul was the champion in the Airline category and was second as Super Champion Company among the 149 companies that provide the best service to Brazilian consumers. Azul Cargo Express ranked second in the Logistics and Transport category; TudoAzul got the second place among Advantage Clubs and Program Points. AzulViagens also ranked second place in the Tourism and Leisure – Services category.



TRACK EXPERIÊNCIA DO CLIENTE – this award provides visibility to companies that adopt best practices for Customer Experience in the year. Azul was the winner in four categories: Disruptive Innovation, Customer Journey, Highlighted Story, and Culture.

OUR PERFORMANCE

2021 can be described as an encouraging year for our business since we managed to resume growth despite the constantly changing external conditions. We ended the period with record revenue of R\$10 billion, representing an 87.2% recovery from 2019 revenues, in addition to continued recovery in demand, sales, and fares. RASK above 2019 levels, record leisure and corporate fares, and adjusted EBITDA of R\$1.6 billion.

In June of 2021, funding of US\$600 million through the issuance of five-year debt securities abroad was above plan, which demonstrates the confidence of investors in our work and in our business model. These investors also positively evaluated our inclusion in B3's Corporate Sustainability Index (ISE) and the disclosure of the carbon neutralization target by 2045.

Azul Cargo recorded R\$1.1 billion in net revenue in 2021, exceeding our target of doubling the revenue from cargo compared with 2019 with recorded revenue of R\$480.7 million. With the expansion of e-commerce, we secured 35% of the cargo transport market share in Brazil in 2021.

In 2021, TudoAzul had gross sales of R\$ 1.1 billion, totaling nearly 14 million members at the end of the year. Azul Viagens sold 30% more travel packages compared with 2019.

Azul Viagens' gross revenue increased by 28% in 2021 compared to 2019, reaching R\$655 million. Its stores in Brazil and abroad offer itineraries to more than 100 destinations, including flights, hotels, transfers and tours.

→ For full information on Azul's financial performance, visit our [Investor Relations website](#).



Financial performance

In 2021, our strategic planning based on a unique network, diversified and young fleet, and passionately engaged Crewmembers, was instrumental in charting our path towards recovery.

IN SUMMARY, OUR 2021:



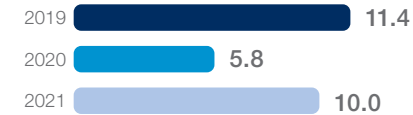
87.2% total revenue recovery in comparison to 2019, a growth of **72.2%** compared with 2020

117.9% growth in cargo and other revenue compared with 2019, reaching R\$1.2 billion

53.9% capacity increase compared with 2020

R\$4.1 billion in short-term liquidity, including cash and cash equivalents, accounts receivable, and financial investments, up 40.6% from 2019

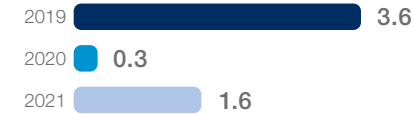
NET REVENUE (R\$ billion)



RASK¹ (R\$ cents)



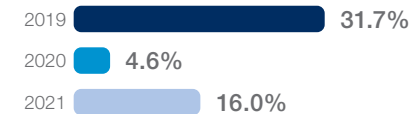
ADJUSTED EBITDA (R\$ billion)



CASK² (R\$ cents)



ADJUSTED EBITDA MARGIN

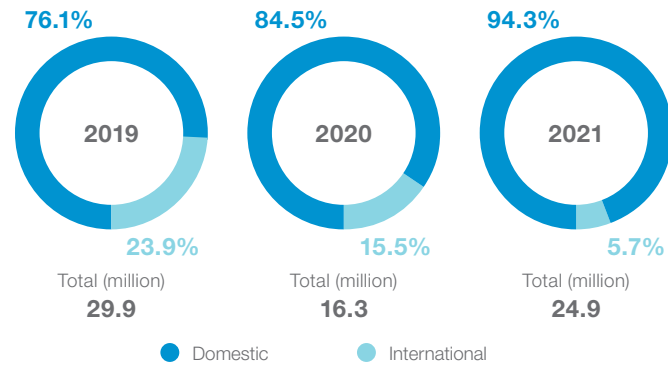


¹ Revenue per Available Seat Kilometers (RASK): operating revenue divided by available seat kilometers.

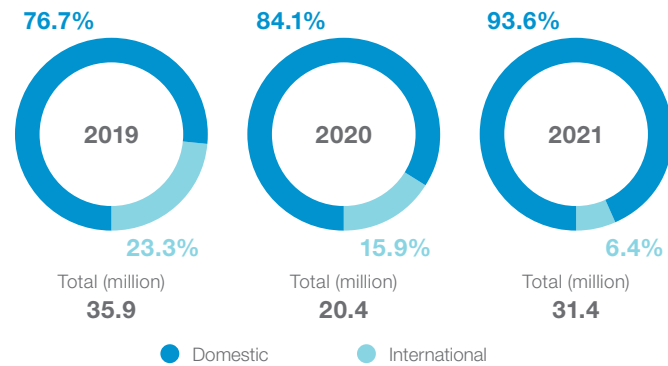
² Cost per Available Seat Kilometers (CASK): operating expenses divided by available seat kilometers.

Operational performance

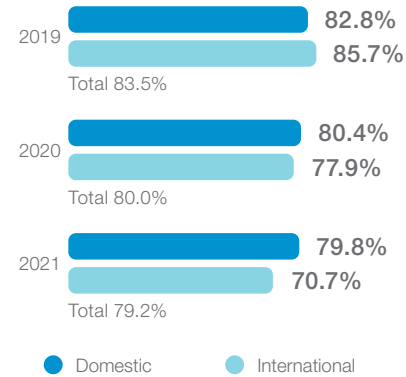
RPK SASB TR-AL-000.C



ASK SASB TR-AL-000.A



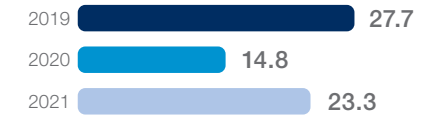
LOAD FACTOR (%)



AVERAGE FARE



REVENUE PASSENGERS (million)



AVAILABLE SEAT KILOMETER (ASK): number of aircraft seats multiplied by the number of kilometers flown.

REVENUE PASSENGER KILOMETER (RPK): calculated by multiplying the number of revenue passengers by the number of kilometers flown.

We can establish a relationship between both indicators considering ASK as supply and RPK as demand in aviation. The ratio of RPKs to ASKs results in the load factor.

SUSTAINABLE GROWTH: OUR TARGETS AND COMMITMENTS

In this section, you will find our initiatives related to:

INTEGRATED REPORTING:
Social and Relationship Capital; Natural Capital

SDGs:



PRINCIPLES OF THE GLOBAL COMPACT:

- 1. Businesses should support and respect the protection of internationally proclaimed human rights;
- 2. Businesses should support and respect the protection of the environment;
- 3. Businesses should support and respect the protection of labor rights;
- 4. Businesses should support and respect the protection of anti-corruption and bribery;
- 5. Businesses should support and respect the protection of human rights in their operations and supply chains;
- 6. Businesses should support and respect the protection of the environment in their operations and supply chains;
- 7. Businesses should support a precautionary approach to environmental challenges;
- 8. Businesses should undertake initiatives to promote greater environmental responsibility;
- 9. Businesses should support and respect the protection of labor rights in their operations and supply chains;
- 10. Businesses should work against corruption in all its forms, including extortion and bribery.

MATERIAL TOPICS:



Ethics and Integrity
Climate Change Management

Eco-efficiency
Development through Connectivity



We are a company that connects the world, and we also want to be the best for the world. To support our sustainable growth, we established clear commitments and set firm goals with clearly defined horizons. Thus, we more readily track our evolution and engage our Crewmembers to allow them to feel a part of our achievements.

We also will continue to create jobs as we expand and bring socioeconomic and environmental development to our destinations through countrywide connectivity.

In 2021, we started to design individual and collective targets to be an increasingly more sustainably developed company in the ESG pillars. These targets will complement the ones we already have in place such as being NetZero by 2045, having 50% women in top leadership by 2030 and reducing CO₂ emissions, as well as will help us get to where we want to be.

SOCIAL COMMITMENTS AND TARGETS

GRI 103-2: 203 Indirect economic impacts

Volunteering, humanitarian missions, and organ transport: are some examples of our actions that bring us closer to achieving our desire to contribute to a better world.

HOW WE ACTUALLY DELIVERED ON THESE TARGETS IN 2021:



Almost
3,000
volunteers
registered

611

organs for transplantation were transported, totaling more than 2,500 since initiating



More than
13,000
people were
impacted by
the volunteer
actions of our
Crewmembers

MAIN TARGETS:



Increase the percentage of Azul volunteers to **20%** by 2025

Expand the transport of organs for transplantation to medical centers at the same rate as Azul's network grows

HUMANITARIAN MISSIONS:



Transportation of refugees through Operação Acolhida

Availability of dedicated flights and space on scheduled flights to take vaccines, medical equipment, intubation kits, masks, medications, hand sanitizer, and infrastructure to hospitals in several locations across Brazil to help fight COVID-19

Governance commitments and targets

GRI 103-2: 405 Diversity and Equal Opportunity



Global Compact

We are signatories of the Global Compact, and we are committed to the ten principles for responsible actions in the social and environmental areas: protection of human rights; non-participation in violations of these rights; support for freedom of association and collective bargaining; elimination of slave labor; effective abolition of child labor; ending discrimination in employment; preventive approach to environmental challenges; promoting environmental responsibility; encouraging the diffusion of sustainable technologies; fight against corruption.



International Air Transport Association (IATA)

Adherence to the International Air Transport Association (IATA) campaign to promote gender diversity in the air transport sector and increase the number of women working in airlines by 2025.



UN Women

We are committed to having 50% women in our senior leadership by 2030. In 2021, women represented 40% of our Crewmembers, 26% of our senior leaders and 29% of our directors.



Ambition 2030 Movement

We joined this movement by Rede Brasil of the Global Compact to expand the engagement of the private sector in the SDGs. In our engagement with SDG 13, on climate action, we are committed to disclosing it on the GHG Protocol portal and monitoring our inventory of gasses and greenhouse effect, in addition to having our targets confirmed by the SBTi this year.

87% of Partners hired in 2021 were approved according to these criteria. Our goal is to reach 90%.

Human rights

We do not condone any type of violation of human rights, such as child and slave-like labor, and we are diligent in ensuring that our Partners share this same conduct. In order to be approved, our Partners undergo an assessment to identify possible Environmental, Social, and Governance (ESG) risks.

ESG Committee

Structured in 2021, the committee advises on issues related to the development and implementation of ESG strategies and principles. That same year, Peter Allan Otto Seligmann accepted to be part of Azul's Board of Directors. He supports us with our guidelines for sustainable development. His extensive experience in leadership towards caring for the environment and the well-being of people will be essential for us to continue being the best company in the world and the best for the world. Peter A. Seligmann (born September 30, 1950) is an American conservationist and non-profit founder. Seligmann is president of the Conservation International, a non-profit environmental organization based in Arlington, Virginia, serving from 1987 to 2017 as founding Executive Director. He is also the founding CEO of Nia Tero, a global collaboration whose name translates in Esperanto as "our Earth", focused on the development and protection of the indigenous people and areas.

Commitments and targets for sustainable growth

GRI 103-2: 305 Carbon Emissions

We are committed to become Netzero by 2045. In the course of achieving this, we have increasingly evolved our environmental practices and engaged in several initiatives:

The offsetting we make for intra-European flights is linked to the ETS and is for intra-European flights only. We are also part of the European Emissions Trading System (EU ETS), an instrument for international trading of GHG emissions and of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), the International Civil Aviation Organization (ICAO) program for the reduction and offsetting of CO₂ emissions from international flights. Even being a voluntary action, we offset 100% of gas emissions in our European flights;

In 2020, we conducted a study of climate and environmental risks based on the Task Force on Climate-related Financial Disclosures (TCFD);

We joined the Carbon Disclosure Project (CDP), for which we have the B seal;

GHG Protocol, for which we have the Gold seal, audited by a third-party company;

Science Based Targets initiative (SBTi), aimed at managing emissions and fighting climate change; in which we will have our goals approved this year;

We are included in the B3's Corporate Sustainability Index (ISE B3).

Emissions reduction:



-17%

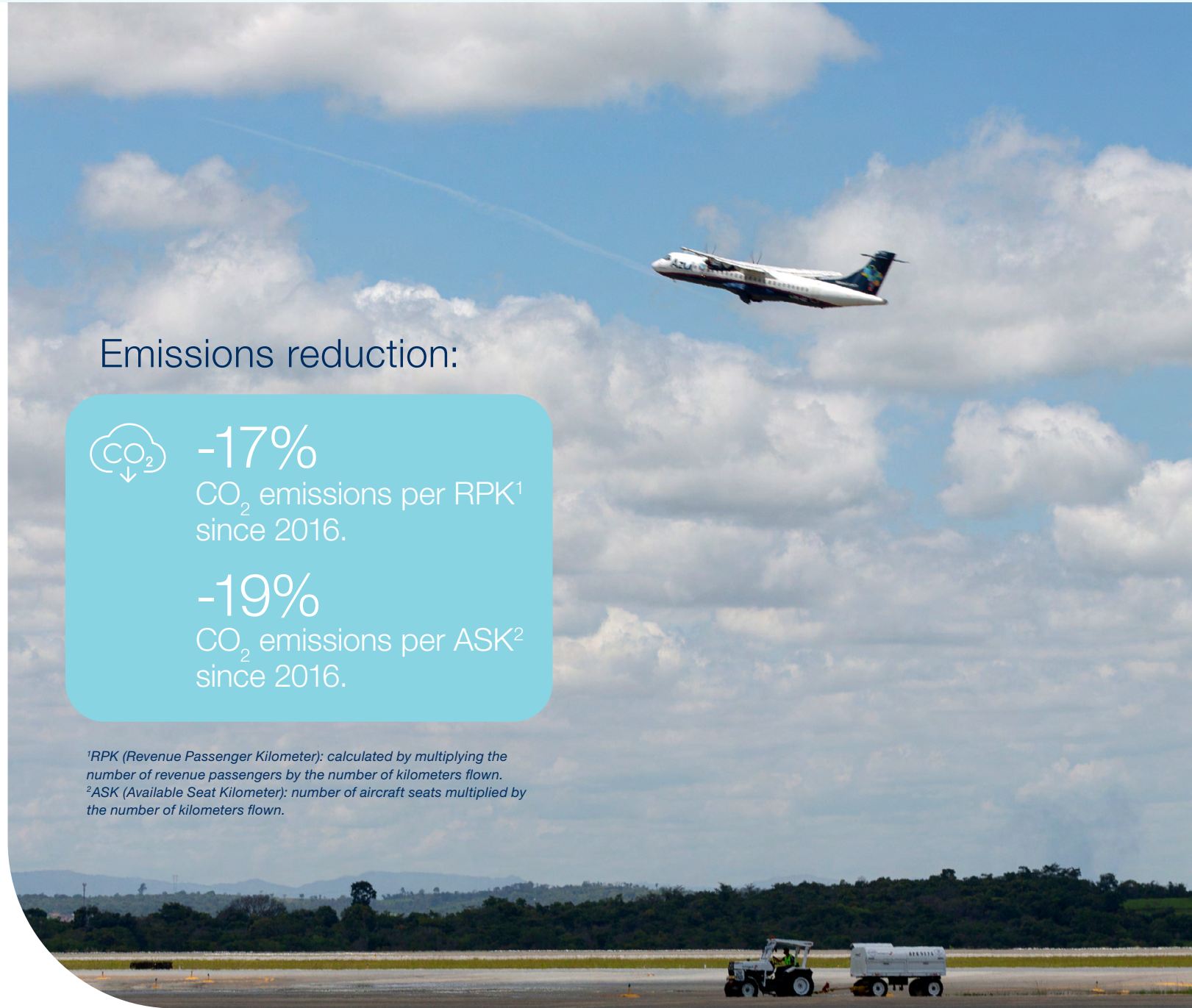
CO₂ emissions per RPK¹ since 2016.

-19%

CO₂ emissions per ASK² since 2016.

¹RPK (Revenue Passenger Kilometer): calculated by multiplying the number of revenue passengers by the number of kilometers flown.

²ASK (Available Seat Kilometer): number of aircraft seats multiplied by the number of kilometers flown.



OUR INTERNAL GOALS

Corporate objectives

2021 results

Objective	Weight	Description	2021
Financial	30%	Operating margin	0.5%
Operational Efficiency	20%	On-time performance	91%
		Completion factor	99%
Customers	15%	NPS	54
Crewmembers	20%	Engagement survey	83%
ESG	15%	Volunteers	21%
		Women at Azul	41%
		Approved suppliers	98%
		Carbon emission (gCO ₂ /ask)	74.9

OUR NUMBERS PER STAKEHOLDER IN 2021
Crewmembers

 Remuneration distributed in 2021:
 R\$ 1,748,441,000

More than 1 million hours of training

1,363 people trained in the Integrity Program

8,133 participants in the Engagement and Climate Survey

1,159 contracted Crewmembers, 10% more than in 2020

Partners

4,953 registered Partners

210 due diligence processes conducted

Society

18 thousand refugees transported in the first quarter

611 organs transported

40 tons of food and water sent to communities in need

2.5 million Customers impacted by Pink October

17 scholarship holders in the first edition (6 trained flight attendants and 1 trained pilot at Associação Voar)

More than 13 thousand people impacted by the actions of our volunteers

Investors

Liquidity of R\$ 4.1 billion

Customers

91% on-time performance in 2021

54 of NPS

147 destinations

23.3 million Customers transported

A SUSTAINABLE BUSINESS



In this section, you will find our initiatives related to:

INTEGRATED REPORTING:

Intellectual Capital; Social and Relationship Capital

SDGs:



PRINCIPLES OF THE GLOBAL COMPACT:

- 1. Businesses should support and respect the protection of internationally proclaimed human rights;
- 2. Businesses should make sure that they are not complicit in human rights abuses.

MATERIAL TOPICS:





CONNECTION THAT TRANSFORMS

GRI 102-16

Our strategy is the Connection that transforms. Our purpose is connectivity. We connect people, businesses, opportunities, innovation, and dreams, which strengthens our positive transformation capacity. We want to promote true, lasting, and beneficial connections with everyone who interacts with Azul.

We work together to build the best airline in the world. And we believe that to be the best company in the world, we also need to be the best for the world, providing benefits and positive impacts to our Shareholders, Customers, Crewmembers, Partners, communities where we operate, and the environment.

“It is not about being the best company in the world, it is about being the best company for the world.”

Our [Sustainability Policy](#), launched in 2021, was conceived in order to consolidate our commitment to sustainable growth, involving and integrating all players that interact with us. It is complemented by our ESG strategy, which is supported by the following pillars:



Focus on People:

Engaged Crewmembers, loyal Customers, Partner suppliers, focusing on integrity, ethics and well-being relationships.



Going Above and Beyond:

Connecting Brazil more and more, always delivering the best experience, with innovation in our DNA.



Responsible and Efficient Operations:

High operational efficiency, with modern and safe aircraft.

We are committed to each of these pillars and related actions. In the sections of this report, you will learn about everything we are doing to put this strategy into practice and secure increasingly sustainable growth.



OUR COMMITMENTS

GRI 102-12, 102-13

We follow the main practices recommended by the Brazilian Code of Corporate Governance and by the IBGC's Code of Best Corporate Governance Practices. We adhere to the ten principles of the UN Global Compact for responsible actions in the social and environmental areas, the Women's Empowerment Principles, the Science Based Targets initiative (SBTi), and the International Air Transport Association (IATA).

We are also part of the Brazilian Association of Corporate Agencies (ABRACORP), formed by the largest and best corporate agencies in Brazil.

Our sustainability recognitions

ISEB3

In December 2021, Azul was chosen to join the B3 Sustainability Index portfolio (ISE B3) - the Brazilian Stock Exchange - which is formed by companies recognized for their commitment to corporate sustainability. This is the 17th ISE portfolio, which will be valid from January 3, 2022 to December 30, 2022. The aggregate market value of this portfolio is R\$1.8 trillion, equivalent to 38% of the market cap of all companies listed on B3 as of December 15, 2021. Azul is the only Brazilian airline included in this index.



In 2021, we achieved a “B” score in the Carbon Disclosure Project (CDP), reinforcing our engagement and commitment to environmental and climate change initiatives. Also in this case, Azul is the only Brazilian airline to have this classification.



Azul received the seal of Member of the 2021 Cycle of the Brazilian GHG Protocol Program and the Gold Seal referring to the corporate inventory for the year 2020. The GHG Protocol is the main standard for reporting greenhouse gas (GHG) emissions in Brazil, recognized as an environmental and climate responsibility initiative.

NEW MATERIALITY

GRI 102-43, 102-46

We are always connected to what is happening in the world, in Brazil, in the airline industry, and in the communities where we are present with our products and services. Therefore, we listen to the needs and concerns of all our Stakeholders. Our strategy, actions, and planning always take into account the most relevant topics which formulate our Materiality.

Connected to the most recent changes that have impacted our industry, Azul reviewed its material topics considering the context and impacts of each topic in accordance with the updated 2021 version of the GRI Sustainability Reporting Standards (GRI Standards) to guide its strategy and management, as well as the Sustainability Report process.

By updating our materiality, we determined which topics were important based on changes in the industry. We identified our impacts, risks, and opportunities in relation to these topics in addition to a clearer view of how we create value.

The update process

Our process to update our Materiality aimed to identify our material topics; in other words, the topics that are most relevant to Azul and to its Stakeholders, since they reflect the most significant economic, environmental, and social impacts of our entire ecosystem.

The review took place between February and May 2022 and involved consultations with Stakeholders and documents as recommended by GRI 3: Material Topics 2021. Using a tool developed by our Partner in this task, BSD Consulting, an ELEVATE Company, the topics selected in the identification and assessment phase of Azul's impacts were mapped out based on relevant documents and on the result of the assessment of the severity and likelihood of the impact occurring.

Several of Azul's internal documents were analyzed, as well as secondary sources - internationally recognized industry and sustainability studies that are priorities for the aviation sector. Benchmarking analyses were conducted with

other reputable international airlines. After this first phase, individual interviews were conducted with ten Azul executives and a Board Member, either online or in person.

Lastly, through an online survey, our Crewmembers in addition to external Stakeholders identified as investors, Customers, and Partners/suppliers were interviewed.













Our priority topics

After the process was completed, eight material topics to guide our strategy were defined. In addition to these, four other topics - defined as strategic topics - were identified as having impacts and relevance for Azul, but were not defined as material topics for reporting purposes according to GRI Standards. These four topics are also part of our ESG strategy.



AZUL'S MATERIALITY

GRI 102-44, 102-47

Material topic	Definition of the topic	Connection with the Azul Values
Climate Change Management	  <p>Operate more efficiently (use of fuel, modernization of the fleet, use of more sustainable fuels) with a view to reducing emissions.</p>	Innovation
Eco-efficiency	 <p>Reduce the need for using materials and generate less waste; circular economy.</p>	Innovation
Health and Well-being	  <p>Occupational safety, health and well-being, and quality of life for all Crewmembers.</p>	Safety
Customer Experience	 <p>Customer service, Direct contact providing differentiated services and service channels.</p>	Consideration Passion Excellence
Ethics and Integrity	  <p>Promote sound business relationships (fair competition, combating smuggling and corruption).</p>	Consideration Integrity
Operational Safety	 <p>Risk management and promotion of operational safety, compliance with regulations.</p>	Safety
Development through Connectivity	    <p>Services to more remote regions (route availability), transport of health professionals, income generation in connected locations.</p>	Passion Excellence
Relationship with Partners	 <p>Relationship with suppliers and associates, adding value through strategic partnerships.</p>	Consideration



The following four topics are not classified as material for this cycle, but they impact and are relevant to Azul as part of our ESG strategy:

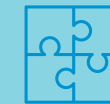
Strategic topics

Definition of the topic



All of Azul's material topics relate to the Sustainable Development Goals (SDG) of the United Nations (UN). Learn more about this relationship in the [Overview](#) section of this report.

Therefore, by always listening to our Stakeholders and designing our strategy in line with the needs of not only Azul, but also of society as a whole, we continue with our sustainable business and are increasingly recognized as a reference in efficiency, quality, and sustainability.



CORPORATE GOVERNANCE



In this section, you will find our initiatives related to:

INTEGRATED REPORTING:

Human Capital, Social and Relationship Capital

SDGs:



PRINCIPLES OF THE GLOBAL COMPACT:

- 1. Businesses should support and respect the protection of internationally proclaimed human rights;
- 2. Businesses should make sure that they are not complicit in human rights abuses;
- 4. The elimination of all forms of forced and compulsory labor;
- 5. The effective abolition of child labor;
- 10. Businesses should work against corruption in all its forms, including extortion and bribery.

MATERIAL TOPICS:



Ethics and Integrity
Relationship with Partners

INTEGRITY AS A VALUE

GRI 102-16, 103-1, 103-2, 103-3:
206 Unfair Competition

We are ethical, we are transparent, and we do things right. Our performance is and has always been guided by the highest standards of corporate governance throughout our history.

The extent of our work in this area is attested by our adherence to Level 2 of the B3's (Brasil, Bolsa, Balcão - in English Brazil's Stock Exchange) Corporate Governance, which is composed of companies that are committed to meeting governance requirements.

All our commitments to society can be found in our [Bylaws](#), our [Sustainability Policy](#), and our [Code of Ethics and Conduct](#).



MANAGEMENT STRUCTURE

GRI 102-18

Our management structure has a Board of Directors (BD) and a Board of Executive Officers, in addition to three committees.

Board of Directors

David Gary Neeleman
Chairman of the Board of Directors

Carolyn Luther Trabuco
Independent Board Member

Decio Luiz Chieppe
Independent Board Member

Gelson Pizzirani
Independent Board Member

Gilberto Peralta
Independent Board Member

Patrick Quayle
Independent Board Member

José Mario Caprioli dos Santos
Independent Board Member

Michael Lazarus
Independent Board Member

Renan Chieppe
Independent Board Member

Sergio Eraldo de Salles Pinto
Independent Board Member

Peter Allan Otto Seligmann
Independent Board Member

The **Board of Directors (BD)** can have between 5 and 14 members, Shareholders or not, residing in Brazil or otherwise, elected or removed by the General Shareholders Meeting, which is also responsible for appointing its chairman and deputy chairman. Board Members are entitled to re-election, 20% minimally must be independent members. In 2021, the Board welcomed a new member, Peter Allan Otto Seligmann, and now has 10 Board Members, all of whom are independent, in addition to its chairman.

AGE GROUP:

73%



27%

● From 30 to 50
● Over 50

Board of Executive Officers

John Rodgerson
President & Chief Executive Officer

Alex Malfitani
Chief Financial Officer and Investor Relations Officers

Abhi Shah
Chief Revenue Officer

Flavio Costa
Chief Operational Technical Officer

The **Board of Executive Officers** is composed of four members responsible for managing the business and representing Azul. The Board of Executive Officers can have between two and seven members, Shareholders or not, all residing in Brazil. The officers are voted on by the Board of Directors for a two-year term with the possibility of reelection. Members must include a Chief Executive Officer, a Chief Financial Officer, a Chief Investor Relations Officer, including up to four officers, with all having the possibility of holding more than one position.

There is no accumulation of positions between the members of the Board of Directors and those of the Board of Executive Officers.



Term of office for Board Members: average of 8.4 years



Azul also has the following statutory and non-statutory committees in place :

STATUTORY COMMITTEES

Audit Committee

Responsible for supervising the internal control and audit areas as well as monitoring the quality and integrity of control mechanisms, financial information, and assessing Azul's risk exposures.

Compensation Committee

Aligns the compensation of executives with corporate strategy. The Committee is also responsible for performance evaluations, implementation of incentive plans for leaders, and conflict resolution.

ESG Committee

Its objective is to advise on issues related to the development and implementation of ESG strategies and principles. It also contributes to the development of recommendations and guidelines to be applied to our strategies related to environmental, social, and corporate governance issues. The new ESG Committee is composed of four members voted upon by the Board of Directors for a two-year term. Despite its charter recommending annual meetings, in 2021 this committee agreed upon a quarterly basis.

NON-STATUTORY COMMITTEES

Ethics and Conduct Committee

The Ethics and Conduct Committee reports directly to the ESG Committee and is responsible for disseminating the Code of Ethics and Conduct to our Crewmembers and third parties. It is also responsible for proposing changes to the Code, evaluating issues concerning the behavior and ethics of Crewmembers and Partners, analyzing and addressing reports of non-compliance, and formalizing processes.

Culture and Social Responsibility Committee

Assembling every other month, this committee presents the main actions in the areas of Culture, Diversity and Inclusion, and Social Responsibility to Azul's Executive Committee (CEO and Vice Presidents) for their information and/or deliberation and approval.

Azul's Operational Safety Committee (CSOA)

Chaired by the Responsible Manager, it is composed of members of the Executive Committee (Responsible Manager and Vice-Presidents) and the Quality and Safety Director. The committee's main attribution is the analysis and strategic validation of the Safety Policy as well as indicators of goals and excellence in order to maintain Azul's level of quality and safety.





CAPITAL STRUCTURE

GRI 102-5

Azul's ownership structure is divided into common (ON) and preferred (PN) shares. Each preferred share is equivalent to 75 common shares; that is, it is entitled to receive 75 times the amount of dividends distributed to holders of common shares.

Holders of common shares have controlled voting rights over Azul. As we are Level 2 of B3, holders of preferred shares have 100% tag-along rights and can vote on strategic matters, such as agreements with related parties, mergers, or acquisitions.

TOTAL NUMBER OF ON AND PN SHARES:
1,262,645,068



INVESTORS

We conduct our corporate governance with transparency, complying with the most relevant market references.

Our dual-list Initial Public Offering (IPO) was carried out in 2017, with shares listed on the Bovespa (B3 - Brazil Stock Exchange) and the New York Stock Exchange (NYSE) through the Level III ADR (American Depositary Receipts) program. We also adhere to Level 2 of B3's Corporate Governance, a special stock market listing segment of the stock exchange. In addition to the minimum requirements required by Level 2, we have adopted the practices recommended in the Código Brasileiro de Governança Corporativa (CBGC - Brazilian Corporate Governance Code) and in the Corporate Governance Best Practices of the Instituto Brasileiro de Governança Corporativa (IBGC - Brazilian Institute of Corporate Governance).

Why invest in Azul?



Unique network:

the largest in the country, with 147 destinations. Unique airline in approximately 80% of the domestic routes served;



Solid balance sheet:

with foreign exchange risk protection;



Strong culture:

focused on people;



Strategic business units:

TudoAzul, Azul Viagens, Azul Cargo, Azul Conecta.



Diversified and young fleet:

high satisfaction and leader in on-time performance;

Open communication

We have an exclusive Investor Relations (IR) [website](#) with content available in Portuguese and English, to establish a closer communication channel with both audiences.

Quarterly results are announced via video conference and webcast. The content is fully available on the IR website in audio and transcription.

The website contains all material information about Azul: our stock history and the real-time share prices on business days, by-laws, policies, Code of Ethics, and minutes of meetings. Additionally, quarterly reports, debt information, presentations, videos, and agendas of events are available.

If investors need additional information, they can speak directly with our IR team through [Contact IR](#) on the website or send an email to invest@voeazul.com.br.



OUR PARTNERS

At Azul, we maintain a very close and transparent relationship with our Partners, bringing everyone together throughout our journey. Each Partner plays a key role in our operations, providing essential products and services for the business, from fuel to catering and communication services.

About our Partners

GRI 102-9



5,605
active Partners
in 2021

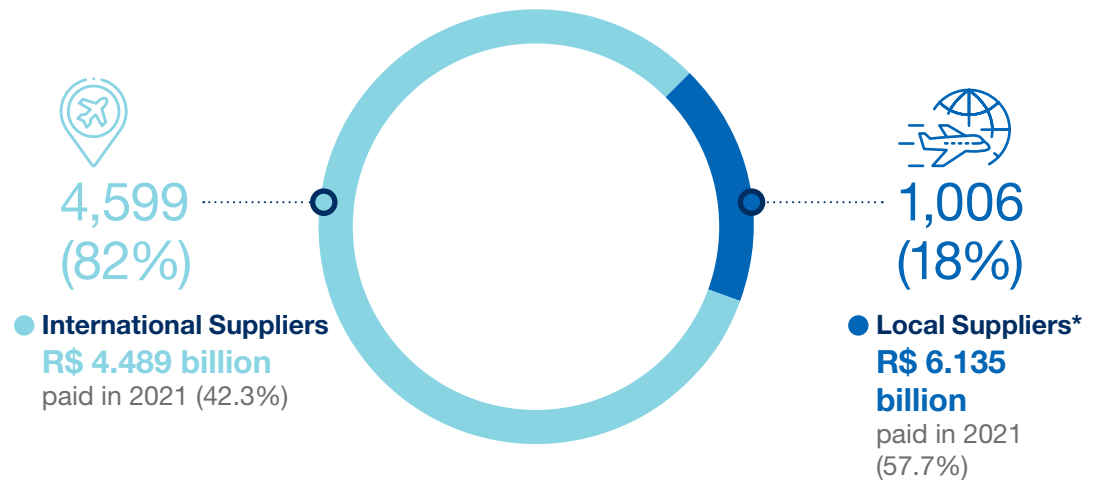


Mostly located
in the Southeast
and Northeast
regions of Brazil.

Main categories:

- Fuel
- Aircraft leasing
- Airport authorities
- Aeronautical products and services
- Benefits
- Insurance
- Information technology products and services
- Catering services
- Transport
- Advertising agencies

R\$ 10.6 billion
was paid to Partners in 2021— almost 60% of this amount was spent on fuel and aircraft leasing, and 40% was paid to international suppliers.



**International Partners correspond to materials and services provided by suppliers who are predominantly located outside the country with no counterpart in the domestic market.*

For human rights

GRI 103-1, 103-2, 103-3: 308 Supplier Environmental Assessment, 103-1, 103-2, 103-3: 414 Supplier Social Assessment;
Own topic: Relationship with Partners

Our contracts with our Partners clearly state that we reject any kind of human rights violation, such as child labor, judicial reorganization and risks of activities against the environment. Contractual clauses and our [Suppliers Code of Conduct](#), updated in April 2020, ensure our commitment, and these conditions must be accepted by Partners during the bidding process when they register on the [Azul Supplier's Portal](#) and make their documents available.

Before being contracted, every Partner is assessed based on ESG criteria that identify risks related to environmental, social, and governance actions, such as fines related to slave or child labor, payment of social security contributions (INSS/FGTS), and cases filed with IBAMA. During this analysis, we also look at the financial and tax health of the Partners, politically exposed persons, media exposure, and donations to political parties or politicians. As for the contracted Partners, they are monitored every six months so we can evaluate their performance in these criteria.

Our Partners are approved through procedures that verify their documentation, reputation, and even their service. In the event of non-compliance with any requirement, the Partner may be rejected or asked to prepare a corrective action plan, which will be followed up upon by Azul.



87% of the Partners contracted in 2021 were approved according to the criteria we described on the side. The others are international suppliers or suppliers that do not have contracts with Corporate Procurement.

GRI 308-1, 414-1

In 2021, we also implemented a Partner rating system that takes into account technical, sustainability, governance, occupational safety, and financial health requirements.

Code of Conduct for our Partners

GRI 102-16

Our Supplier Code of Conduct provides guidelines on how our Partners should conduct their business in relation to ethics and integrity, human rights, labor legislation, environment, corruption, and information security in their relationship with us. The code is available on the [Azul Supplier's Portal](#) and must be acknowledged by the Partners.

→ [Learn more about the Suppliers Code of Conduct.](#)





GOVERNMENT AND REGULATORY AGENCIES

We are a Brazilian airline that operates inside and outside Brazil. For this reason, we comply with the legislation related to our activities and maintain a professional and cordial relationship with the governments and regulatory agencies of the countries in which we operate.

We closely monitor all discussions and determinations of the Brazilian National Civil Aviation Agency (ANAC) and of the Department of Airspace Control (DECEA), as well as the consumer service tools and standards proposed by the Brazilian National Consumer Service (SENACON).

In 2020 and 2021, this close relationship was instrumental in enabling us to establish more direct routes with DECEA, thereby optimizing cargo and

passenger transit, saving fuel, and consequently reducing greenhouse gas emissions. We were responsible for almost 90% of all requests to DECEA, which brings a gain of about 16 tons of CO₂/month per route and more than R\$ 250 thousand per month.

In the environmental field, we are members of the European Emissions Trading System (EU ETS), an instrument for regulated trading of greenhouse gas emissions; and of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), the International Civil Aviation Organization (ICAO) program for reducing and offsetting CO₂ emissions from international flights. Azul offsets the emissions 100% of its international flights. [GRI 102-12](#)

COMPLIANCE

GRI 103-1, 103-2, 103-3: 205 Anti-Corruption, 206 Anti-Competitive Behavior, 308 Supplier Environmental Assessment, 402 Labor/Management Relations, 406 Non-discrimination, 414 Supplier Social Assessment, 419 Socio-Economic Compliance

Compliance means complying with laws, ethical standards, internal and external regulations. The origin of the word comes from the verb “to comply”, to obey an order, or procedure. Compliance is the guideline by which how organizations behave towards the market in which they operate, in order to comply with the company's legal obligations, therefore, complying with corporate governance, ethical standards of conduct and internal controls. All departments of a company or institution must be involved in a compliance policy, and all of its professionals must know its rules, standards and procedures.

2021 was a very important year in our history in terms of compliance. We preserved a proper, honest, and trusting relationship with our Crewmembers, Customers, business Partners, and Competitors, while maintaining an open and constructive relationship with all Stakeholders involved in our activities.

One of our highlights of the year was the launch of the **Azul Integrity Program** to help us understand our behavior in day-to-day situations and how we should behave in order to remain increasingly stronger and ethical.

Based on the principles of Preventing, Detecting, and Remediating, the program has the following objectives:

Protect the company, Shareholders, Board members, executives, and Crewmembers

Cost reduction in fraud and theft, non-compliance, or waste

Work environment with a reduction in cases of harassment, labor issues, improvement in Crewmember satisfaction, and talent attraction and retention

Process improvement by identifying risks and defining and implementing controls

Reputation by ensuring Azul's image in the market, attracting investors and investments, obtaining credit and more attractive rates, and better insurance terms

Compliance with applicable laws and regulations

Competitive advantage through better positioning in the market, meeting Customer requirements, paying attention to the competition, and compliance with legal issues

Sustainability in financial, social, and environmental factors

Company value through brand value, stock price, and mergers

Social and citizenship by disseminating the company's ethical culture and building a better country



Pillars of the Azul Integrity Program

1. Senior management commitment
2. Risk management
3. Code of conduct, policies, and procedures
4. Internal controls
5. Training and education
6. Whistleblowing channel
7. Internal investigations
8. Third-party due diligence and M&A
9. Monitoring and remediation

In 2021, a total of **1,363 new Crewmembers** received training in the Integrity Program via workshops and lectures either in-person or virtually.

Fight against corruption

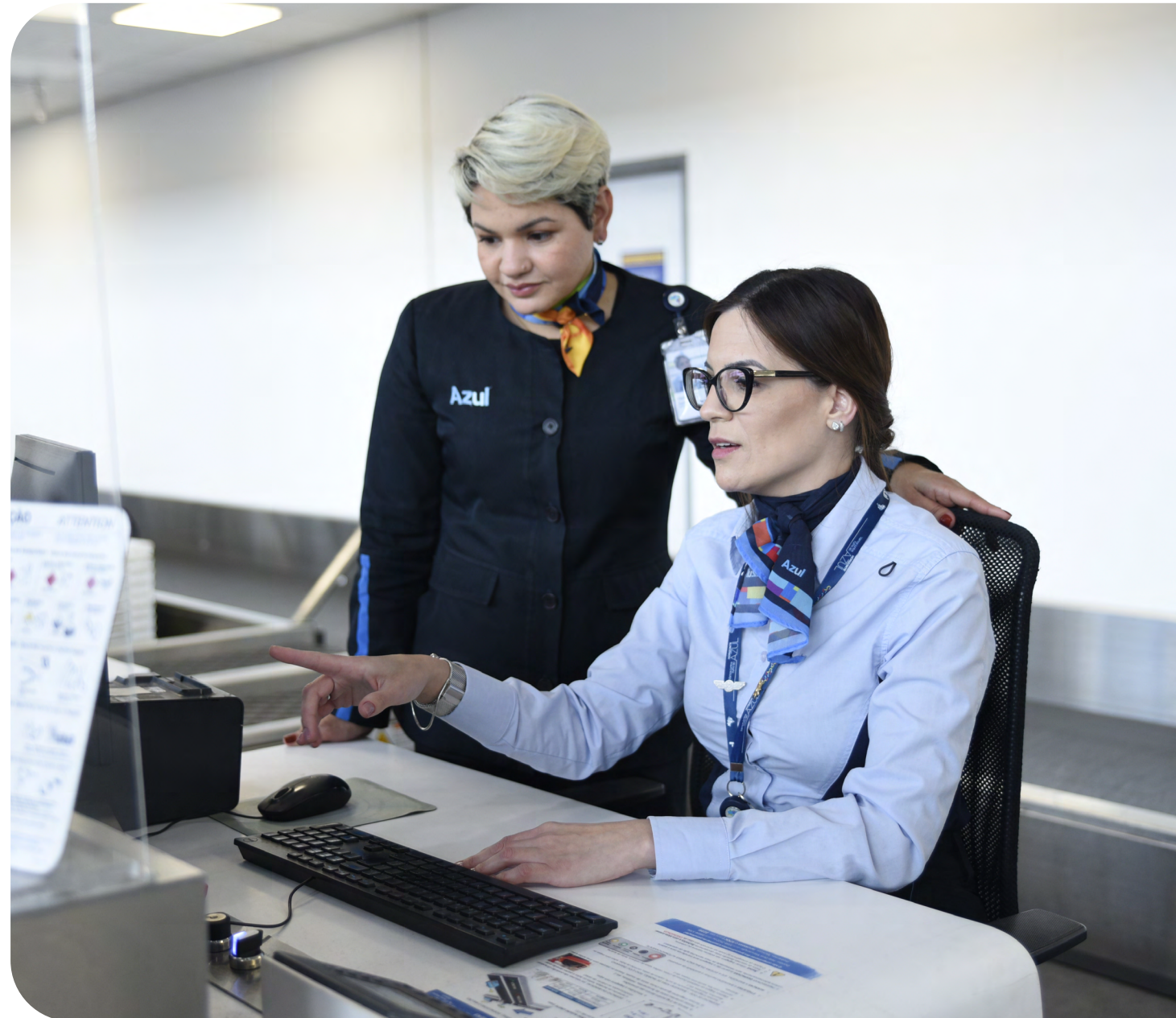
GRI 103-1, 103-2, 103-3: 205 Anti-corruption, 205-3

We are deeply committed to laws that prevent and combat corruption and money laundering, especially the Brazilian Anti-Corruption Law. We do not condone unethical conduct, especially when it involves acts of corruption or any other acts that may harm the public administration – in Brazil or abroad.

Our [Code of Ethics and Conduct](#) along with our [Suppliers Code of Conduct](#) guide the management of this topic inside and outside Azul. We also conduct audits and investigations related to the main topics reported to the Confidential Channel. And our close monitoring has yielded results: in 2021, no cases of corruption involving Azul were brought to our attention.

Other compliance initiatives in 2021:

- Update of the [Code of Ethics and Conduct](#)
- Publication of the [Policy to Prevent the Use and Disclosure of Insider Trading](#), which establishes the guidelines for preventing the use of insider trading in securities transactions.
- Publication of the [Anti-Corruption Policy](#), which obliges all persons covered by it to conduct business with ethics and integrity and requires compliance with the Code of Ethics and the laws and regulations of the country.
- The [Conflict of Interests Policy](#) and the [Stakeholder Relations Policy](#) were discussed and evaluated at the end of 2021 and published in March 2022.



Confidential Channel

GRI 102-17

In 2021, our **Confidential Channel** was redesigned with information on features and data privacy to comply with the Brazilian General Data Protection Law (LGPD). By phone (toll-free) or internet, Crewmembers can file reports or raise concerns 24/7.

The channel is also available to society, Partners, investors, or anyone wishing to report violations of the Code of Ethics and Conduct or current legislation related to Azul.

The reports can be filed anonymously or otherwise, and the information is received by an independent company, which screens and forwards the relevant incidents to our Compliance team. All reports are handled with confidentiality.

The complaints registered in 2021 represent a 57% increase compared with 2020. This increase results from the strengthening of the Code of Ethics and Conduct through workshops, training, and the reliability of Crewmembers regarding the Confidential Channel, along with the performance of the Ethics and Conduct Committee.

IN 2021:



Compliance and our Crewmembers

GRI 205-2

Every new Crewmember who joins Azul participates in the Welcome Aboard program where they are introduced to our main programs related to Compliance. All existing Crewmembers receive recertification in the code every year.

In 2021, this training was revised and became more dynamic in the form of a quiz for Crewmembers to better understand its concepts by using examples taken from actual situations.

OTHER TRAINING IN 2021

Code of Ethics and Conduct

1,363 new Crewmembers completed online training

Compliance for Publicly Traded Companies (SOX)

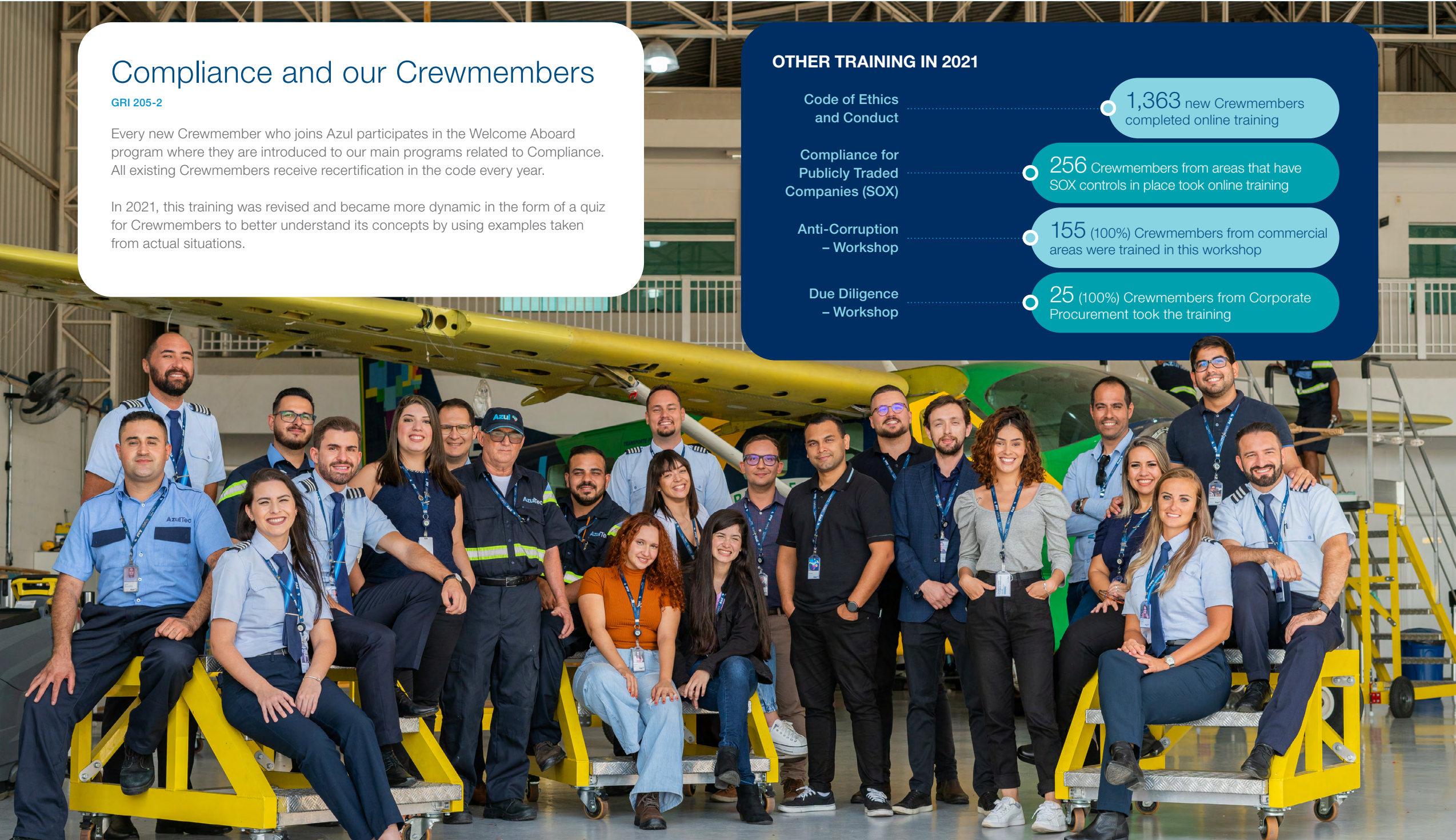
256 Crewmembers from areas that have SOX controls in place took online training

Anti-Corruption - Workshop

155 (100%) Crewmembers from commercial areas were trained in this workshop

Due Diligence - Workshop

25 (100%) Crewmembers from Corporate Procurement took the training



Code of Conduct for Crewmembers

Azul conducts its business ethically, and all our Crewmembers must be also committed to equal conduct. As one of our values, integrity guides the positive relationships among Crewmembers, Customers, Partners, investors, competitors, and all other audiences with whom we have a relationship.

We require, from every Crewmember, the truth and transparency that our business relationships are guided by, always honoring commitments and taking responsibility for their own actions. Acting with respect and dignity, maintaining transparency, and sincerity in dealing with others is part of our culture.

The ethical principles and standards of conduct that guide our business and our decisions, including a topic about honest negotiation, are included in our Code of Ethics and Conduct. It was updated in March 2021 and includes all the companies and business units of the group (Azul S.A., Azul Linhas Aéreas Brasileiras, TudoAzul, Azul Viagens, Azul Cargo Express, and Azul Conecta).

93% of the Crewmembers took the Integrity, Code of Ethics and Conduct course in 2021.

→ [Learn more about the Code of Ethics and Conduct.](#)



Integrity:
be a good
example

RISK MANAGEMENT

GRI 205-1

Understanding the risks to our business and managing them properly are key conditions for our decisions on new investments, operations, and for our expansion. Therefore, we are constantly monitoring the aspects that could impact Azul's strategies, financial health, or image.

We have a well-structured [Corporate Risk Management Policy](#) in place. Business areas are responsible for identifying, assessing, and controlling the risks related to their activities, as well as implementing effective action plans and controls to reduce the effect of these risks to tolerable levels.

The assessment is performed through the General Risk Analysis tool, which includes our business units and was built based on meetings with those responsible for Azul's main areas (Finance, Accounting, Regulatory, Operational), capturing the perception of the executives regarding their exposure to risk. The result of this analysis helps us identify and prioritize action plans, controls, and process adjustments to be implemented.

Corruption risk is one of those evaluated, including risks in commercial processes with our Partners. In 2021, we did not identify any materialization of this risk in our business or our Partners, and there were no financial losses resulting from lawsuits due to anti-competitive conduct.





To evaluate market risks, we analyze historical variations and projections of indicators such as the U.S. dollar, interest rates, and fuel prices, comparing them with the values used in our annual budget.

Risks considered critical for Azul's operations are variations in interest rates, foreign exchange rates and jet fuel prices. The following list shows how we manage these risks:

Interest rate risk management: We can contract hedging instruments for interest rate fluctuations as follows: between 0 and 50% for interest rates in the domestic market (CDI, TJLP) and between 0 and 100% for exposure to interest rates in the international market (Libor, Euribor).

Exchange rate risk management: This risk is reduced or mitigated by means of derivative contracts signed with banks or by financial investments in U.S. dollars. The hedging instruments for these two operations must be between 50% and 100% of the exposure related to non-operating cash flow for the following 12 months. It is worth mentioning that Azul may, eventually, decide to stay below the minimum percentages defined in cases where market conditions are not favorable for the execution of hedging contracts.

Fuel price risk management: Fuel price risks are managed through derivative instruments offered by banks and by future purchases of fuel volume directly with our fuel Partners.

Process risks

Every year we perform risk assessments of our most relevant processes. Based on the risks identified, an Audit Plan is prepared for the following year.

Since 2018, when Azul was certified in accordance with the Sarbanes-Oxley Act (SOx) by independent auditors Ernst & Young. The effectiveness of the risks and controls mapped must be tested every year in order to be recertified. The audits assess financial, accounting, and labor risks, in addition to SOx controls tested across the various processes that have been mapped.

The effectiveness of internal control over the preparation of financial statements for the fiscal year ended on December 31, 2021, was evaluated in accordance with Section 404 of the Sarbanes-Oxley Act, and it was pointed out that nothing compromised the financial statements.

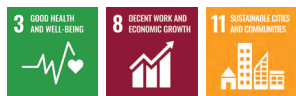


SAFETY, OUR #1 VALUE

In this section, you will find our initiatives related to:

INTEGRATED REPORTING:
Human Capital; Intellectual Capital

SDGs:



MATERIAL TOPICS:



Operational Safety
Health and Well-being
Customer Experience

THE MOST IMPORTANT VALUE

GRI 103-1, 103-2, 103-3: 403 Occupational Health and Safety, 416 Customer Health and Safety, 416-1, SASB TR-AL-540a.1

Nothing is more important to us than safety. As an airline, we follow all the safety standards that comply with market regulations.

All our decisions take into account our Operational Safety Management System (OSMS), whose purpose is to identify hazardous conditions, qualify the risks inherent to the business, mitigate these risks and ensure quality through effective actions. We use OSMS indicators to monitor quality and safety performance in all our operational areas.

There are four OSMS components that are the foundation for the manuals and processes as well as maintaining an acceptable level of operational safety performance: policy and objectives, risk management, operational safety assurance, and operational safety promotion.

To ensure synergy, commitment, and critical analysis between the Quality and Operational Safety Department and other areas of Azul, we have established the following links: Azul's Operational Safety Committee, Azul's Accident Prevention Commission, Quality and Operational Safety, Maintenance Organization Safety Committee, and Quality Committee.

In order to maintain the level of quality and operational safety in accordance with all the requirements of the various regulatory agencies (ANAC, CENIPA, DECEA, FAA, EASA), we perform an annual audit plan which increasingly improves our safety.

Furthermore, we perform quality audits on our Partners, from which we develop action plans to address any non-conformities found. Additionally, every year an inspection is carried out by the Brazilian civil aviation authority (Agência Nacional de Aviação Civil - ANAC).

In addition, we also use indicators to monitor quality and safety performance in all operational areas, such as the participation of Azul Crewmembers in the Operational Safety Reporting Program, Flight Data Monitoring and Analysis Program, program on braking conditions in monitored lanes, FRMS Program – Fatigue Risk Management System, Azul Line Operation Safety Program (LOSA), Operational Safety inspections and internal Quality audits. These are the indicators that guide our actions to make Azul increasingly safer.

Operational Safety Performance Goals are established amongst the operational areas and monitored periodically to reflect the compliance of our processes with the best practices in the world with regard to the Aeronautical Industry standards and requirements established by regulatory bodies.

Since 2014, we have been certified in the Operational Safety Audit (IOSA), an audit that verifies processes and procedures in the operational areas established by IATA: Airports and Ramp (GRH); Cabin - passengers (CAB); Cargo Operations (COG); Maintenance (MNT); Flight Operations (FLT / DSP / GTO); Organization and Management System (ORG); Service Providers (Outsourcing) and Asset Security and against Illicit Acts (SEC). IOSA is an internationally recognized and accepted assessment system designed to assess an airline's operational management and control systems.



Operational Safety

We promote safety on an ongoing basis, which ensures the development and maintenance of a safety culture among our Crewmembers. This culture is reinforced by our integrated voluntary reporting system, which is a tool for identifying hazardous conditions and managing risks in the operation.

We also have an [Operational Safety Policy](#) which addresses topics such as safety as our primary and non-negotiable value, the risk level of operations, Crewmember commitment, and leadership involvement in consolidating the Information Culture in a [Fair Culture](#) environment.

Fair Culture is the culture where people are not punished for actions, omissions or decisions made by them when voluntarily reported. This allows the company to prioritize learning over repair. It is a fundamental condition for everyone to trust in sharing their experiences in the decisions taken, allowing the identification of the origin of errors and violations. Errors and violations, although present in our routine, are sources of learning for the continuous improvement of security. However, willful negligence, violation for personal gain or destructive acts are not tolerated within the scope of AZUL.



Our Safety Promotion Program offers various educational activities throughout the year, such as training, capacity building, and awareness-raising on the topic. In 2021, we had 95% of our Crewmembers trained in Operational Safety. We also disseminate information through different channels, such as bulletins, alerts, newsletters, and electronic magazines.

In September 2021, we held our Operational Safety Seminar, an annual event that addresses important topics in quality and safety.

In 2021, the seminar was also broadcasted in an online format, in order to allow all Azul's Crewmembers to participate. During these two days of the seminar, more than a thousand people were able to participate in the discussions and themes that were covered in more than eight hours of lectures and debates.

All teams work together for the safety of our Customers, advancing initiatives associated with our safety values efficiency,

productivity and well-being. In 2022, we are working on developing new indicators and strengthening the means of monitoring safety. The main objective is to identify operational risks and manage them in ways to keep them at an acceptable level. Associated with this management, there is a continuous search for reliability and the quality of operational processes throughout Azul. We will also continue with the cycle of internal audits, focused on the commitment to IOSA recertification.

INFORMATION SECURITY AND DATA PROTECTION

GRI 103-1, 103-2, 103-3: 418 Customer Privacy, 418-1



The privacy of personal data of our Customers, Crewmembers and Business Partners is inviolable and irrevocable. Our ultimate goal is to be the best airline for our Customers, ensuring that they have the best in-flight experience along with the peace of mind of knowing that their data is being handled following our main pillars of information security, integrity, and excellence.

We have a [Information Security Policy](#) and an Information Security Program that manages Customer data and information security, along with data privacy. To further reinforce this work, we have scheduled several investments and a continuous delivery plan regarding the Brazilian General Data Protection Law (LGPD) and cybersecurity.

In 2021, we started the LGPD compliance project, which includes structuring and updating processes and procedures such as the [Data Privacy Policy](#). Furthermore adopting a proactive privacy-by-design approach, which anticipates and prevents privacy breach incidents as well as a response system through our privacy@voeazul.com.br email.

In addition, we acquired a privacy management tool called Onetrust, updated our Privacy Portal, and purchased an information security monitoring system that operates non-stop 24 hours a day. We also perform continuous security monitoring in the market to assess vulnerability and raise the level of protection.

Despite not receiving any complaints regarding breaches of our Customer's privacy during the year, we undoubtedly continue to improve our performance related to this topic. We also plan to create a portal where Customers can easily access their rights and establish awareness cycles at Azul.

OUR CONCERN FOR THE ENVIRONMENT

GRI 103-1: 301 Materials, 302 Energy, 305 Emissions, and 306 Waste

In this section, you will find our initiatives related to:

INTEGRATED REPORTING:
Natural Capital; Intellectual Capital

SDGs:



PRINCIPLES OF THE GLOBAL COMPACT:

- 7. Businesses should support a precautionary approach to environmental challenges;
- 8. Businesses should undertake initiatives to promote greater environmental responsibility;
- 9. Businesses should encourage the development and diffusion of environmentally friendly technologies.

MATERIAL TOPICS:



Climate Change Management
Eco-efficiency



In May 2020, Azul signed the UN Global Compact and became the first airline in Brazil to be part of this movement dedicated to corporate social responsibility and sustainability policies.

Taking care of the environment is everyone's responsibility. Companies that truly care about people and the planet, in addition to their businesses, are the ones that will be most valuable. At Azul, we express our commitment to sustainable growth and the planet in the Efficient and Responsible Operation pillar of our [Sustainability Policy](#). Our daily efforts are focused on initiatives that guarantee this growth, which benefits not only Azul but society.

In this chapter, you will see that we have invested in several socio-environmental and climate management projects over the last few years, to increasingly have efficient operations, especially in our fleet, which consumes less fuel and generates less waste and gas emissions.

CLIMATE CHANGE MANAGEMENT

GRI 103-1, 103-2, 103-3: 305 Emissions

Greenhouse gas emissions from fuel combustion are the main environmental issue in civil aviation today across the planet. Aware of our responsibility and as signatories to the Global Compact, we have assumed the commitment to become NetZero by 2045. To this end, we have established some guidelines in our strategy:



Fleet transformation and new technologies

- Constant fleet renewal, with newer and more efficient aircraft.
- eVTOL: 100% electric planes, in partnership with the German company Lilium
- Innovative technologies such as hydrogen and non-drop-in fuels



Operational Efficiency

- More direct flights
- Continuous improvement in the efficient use of the aircraft
- More efficient and sustainable ground support equipment
- Fuel Efficiency Program



Sustainable Aviation Fuel (SAF)

- Commitment to using SAF
- Support for Brazilian regulations
- Partnerships for local development and production
- Support for production and distribution projects



Carbon offset

- Offset Program for Customers
- Voluntary offset
- Regulated carbon markets
- Innovative technologies such as Carbon Capture, Utilization, and Storage (CCUS)



Governance

- GHG inventory
- Climate risks
- Climate scenarios
- Science Based Targets (SBTi)
- Partnership with government and industry to develop the National Plan for Reducing Emissions from Aviation



Reporting

- GHG Protocol Brazil
- Carbon Disclosure Project (CDP)
- Task Force on Climate-related Financial Disclosure (TCFD)
- Corporate Sustainability Index (ISE B3)
- Dow Jones Sustainability Index

EMISSIONS REDUCTION

SASB TR-AL-110a.2

We are committed to our industry's global Greenhouse Gas (GHG) reduction targets, established by the International Air Transport Association (IATA) and the International Civil Aviation Organization (ICAO).

We are doing our part to further evolve this topic. In 2021, we joined the Business Ambition for 1.5°C and the Science Based Targets initiative (SBTi), which mobilizes companies to adopt targets to reduce GHG emissions, fostering the transition to a low-carbon economy. Over the next two years, we will develop our target in accordance with the premises and criteria established by the SBTi.

Also in 2021, we conducted a study of climate and environmental risks based on the Task Force on Climate-related Financial Disclosures (TCFD), which will guide our climate management.

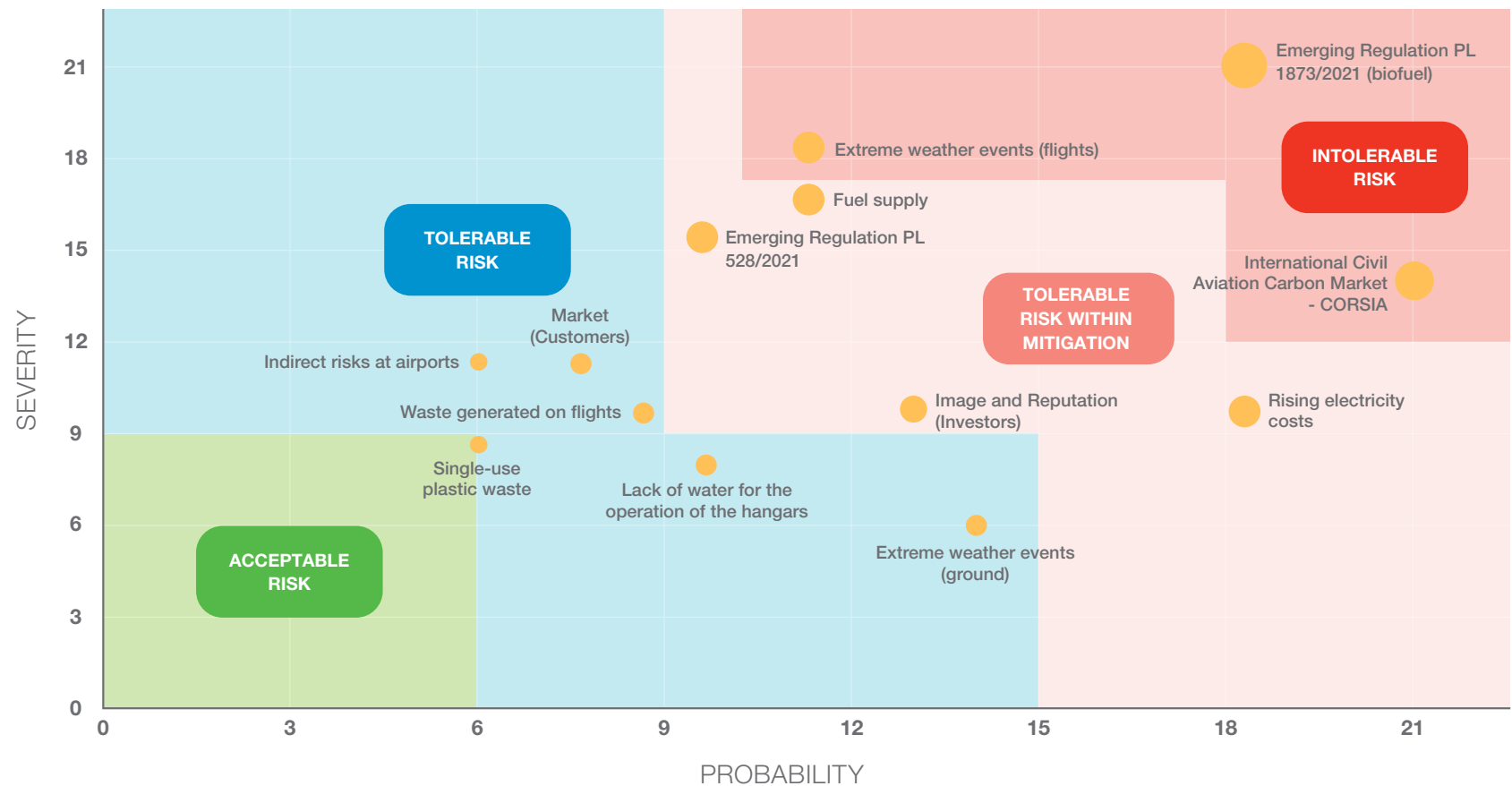
A total of 13 environmental risks related to Azul's flights and ground operations were assessed. The most serious risks identified for our business were the regulation of the use of biojet fuel in Brazil, the carbon market in international civil aviation, and the increase in severity and frequency of weather events.

Intolerable risks are those that directly affect our operation, or flights, and are classified as such because they have a high probability and severity of happening, generating extra costs for Azul or changes in the regulations.

Environmental Risk Matrix

The chart below shows the consolidation of the assessment of our environmental risks, through Azul's Environmental Risk Matrix.

Azul's Environmental Risk Matrix



We are committed to becoming NetZero by 2045. In our aim to obtain this, we are producing an emissions inventory that is audited by Intertrek. We will have an inventory done by each fleet type therefore our Scope 1 emissions data can be compared with similar fleets. We will continue to measure our emissions intensity in gCO₂/ASK and gCO₂/RPK. Our Greenhouse Gas emissions (GHG) intensity has been dropping over the years. Since 2016, we have already reduced the CO₂

emitted by Revenue Passenger Kilometer (RPK) by 17.6% and the CO₂ emitted by Available Seat Kilometer (ASK) by 19%.

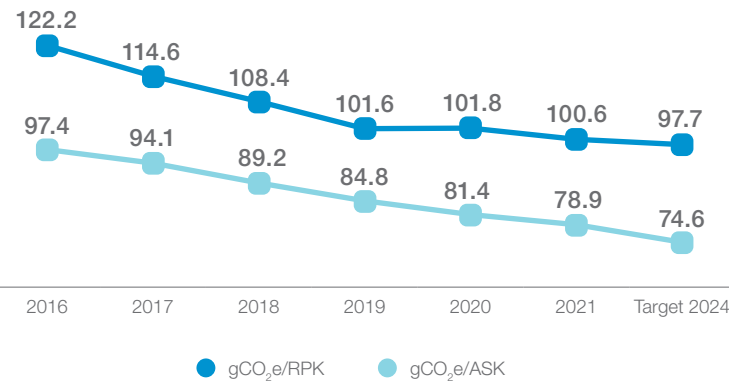
Azul received the Seal of 2021 Cycle Member of the Brazilian GHG Protocol Program and the Gold Seal for the 2020 corporate inventory. The GHG Protocol method is the main standard for reporting greenhouse gas (GHG) emissions in Brazil, recognized as an environmental and climate responsibility initiative.

We are also members of the European Emissions Trading System (EU ETS), an instrument for regulated trading of GHG, and of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), the International Civil Aviation Organization (ICAO) program for reducing and offsetting CO₂ emissions from international flights. Even though the initiative is voluntary, we offset 100% of emissions on our European flights.

We use the GHG emissions calculation tool of the Brazilian GHG Protocol Program, ISO 14064-1. Emission Factors: GHG Emissions Calculation Tool of the Brazilian GHG Protocol Program, GWP: IPCC 2013 AR5.

GREENHOUSE GAS EMISSION (GHG) INTENSITY

GRI 305-4



DIRECT EMISSIONS (SCOPE 1) OF GREENHOUSE GAS (GHG)

in tons of CO₂eq

GRI 305-1, SASB TR-AL-110a.1

EMISSIONS	2020	2021
Scope 1 - Direct GHG emissions*	1,654,754.20	2,474,302.405
Biogenic CO ₂ emissions	395.915	92.841

*Emission sources included: stationary combustion, mobile combustion, fugitive emissions.

INDIRECT EMISSIONS (SCOPE 2) OF GREENHOUSE GAS (GHG) FROM ENERGY ACQUISITION

in tons of CO₂eq

GRI 305-2

	2020	2021
Scope 2 - Indirect greenhouse gas (GHG) emissions from the acquisition of energy*	319.19	765.946

*Emission sources included: indirect emissions from the purchase of electricity – location-based energy consumption consolidation approach.

OTHER INDIRECT EMISSIONS (SCOPE 3) OF GREENHOUSE GAS (GHG)

in tons of CO₂eq

GRI 305-3

	2020	2021
Scope 3 - Other indirect GHG emissions*	3,439.16	3,665.94
Biogenic CO ₂ emissions	403.62	485.401

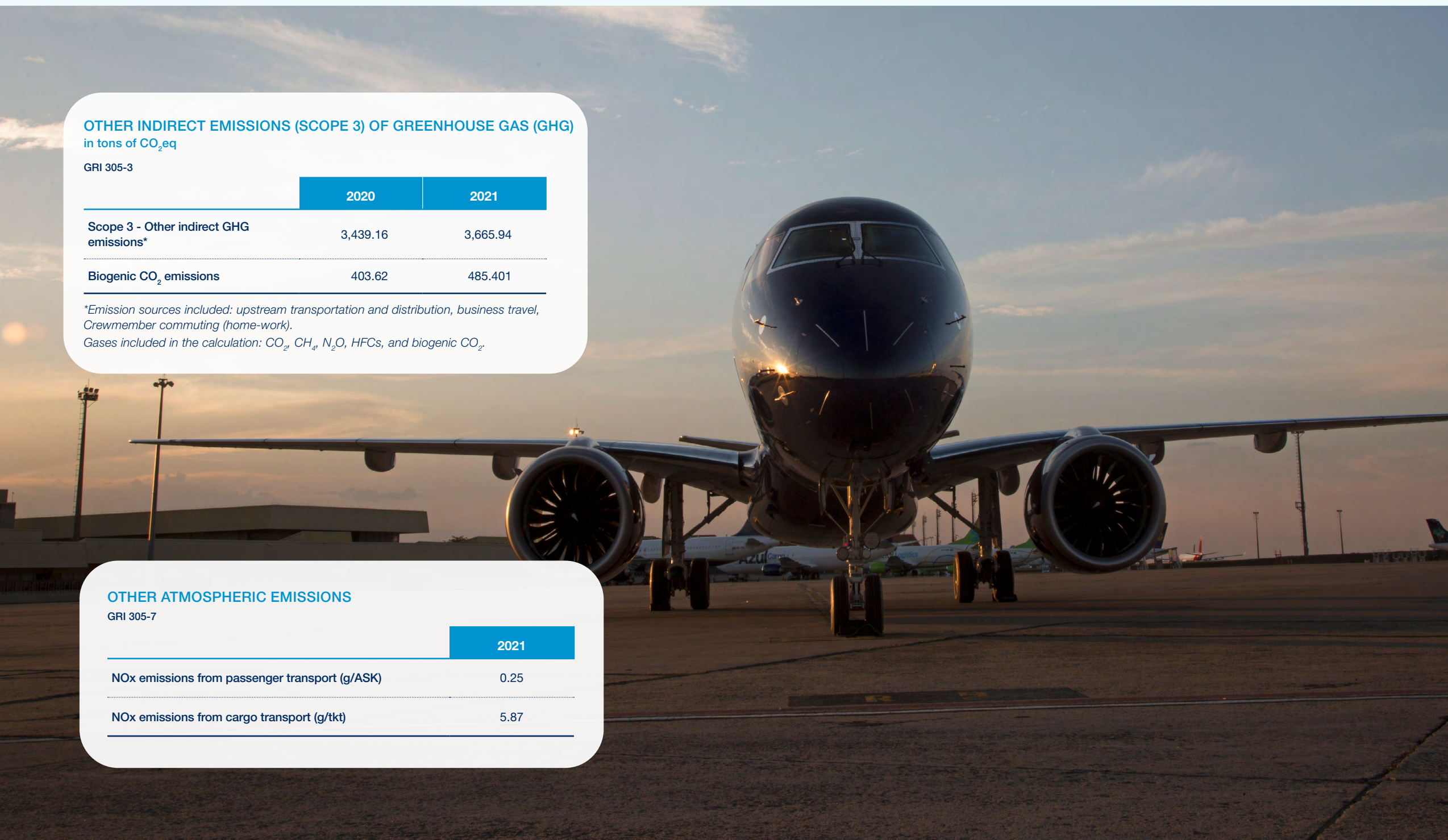
*Emission sources included: upstream transportation and distribution, business travel, Crewmember commuting (home-work).

Gases included in the calculation: CO₂, CH₄, N₂O, HFCs, and biogenic CO₂.

OTHER ATMOSPHERIC EMISSIONS

GRI 305-7

	2021
NOx emissions from passenger transport (g/ASK)	0.25
NOx emissions from cargo transport (g/tkt)	5.87



THE MOST MODERN FLEET IN THE MARKET

We are constantly seeking to reduce greenhouse gas emissions by investing in more efficient operations with a fleet transformation program that includes new-generation aircraft and by targeting ground and administrative operations. We remain committed to reaching a 100% new-generation fleet as soon as possible in order to further reduce our emissions.

This strategy encompasses environmental aspects, since these new aircraft consume less fuel and generate fewer emissions; and as for financial aspects, they are more economical for Azul.

When we changed our fleet from E1 to E2, we went from 118 to 136 seats (15% gain), while fuel consumption dropped by 19%.

With the modification from E1 to A320, the gain in seats is 47% (from 118 to 174), while fuel consumption remains stable. When we changed the fleet from A320-200 to A320neo, we gained 5% in seats, with a 13% reduction in fuel consumption.

Our fleet transformation program, one of the items in our [Sustainability Policy](#), consists of buying more modern aircraft and selling or using older aircraft to transport cargo, as this service requires fewer flight hours.

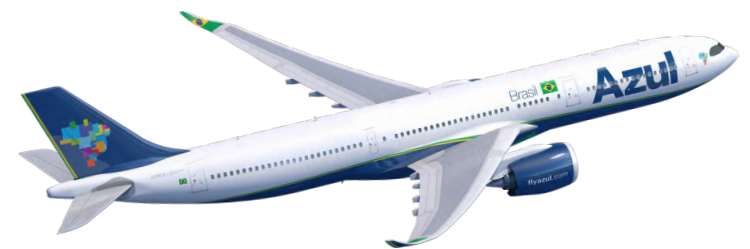
The plan suffered a slowdown in 2021 because of a high-cost market scenario and strict financing, but we added 11 new-generation aircraft to our fleet.

Our state-of-the-art fleet

Airbus A320NEO



Airbus A330NEO



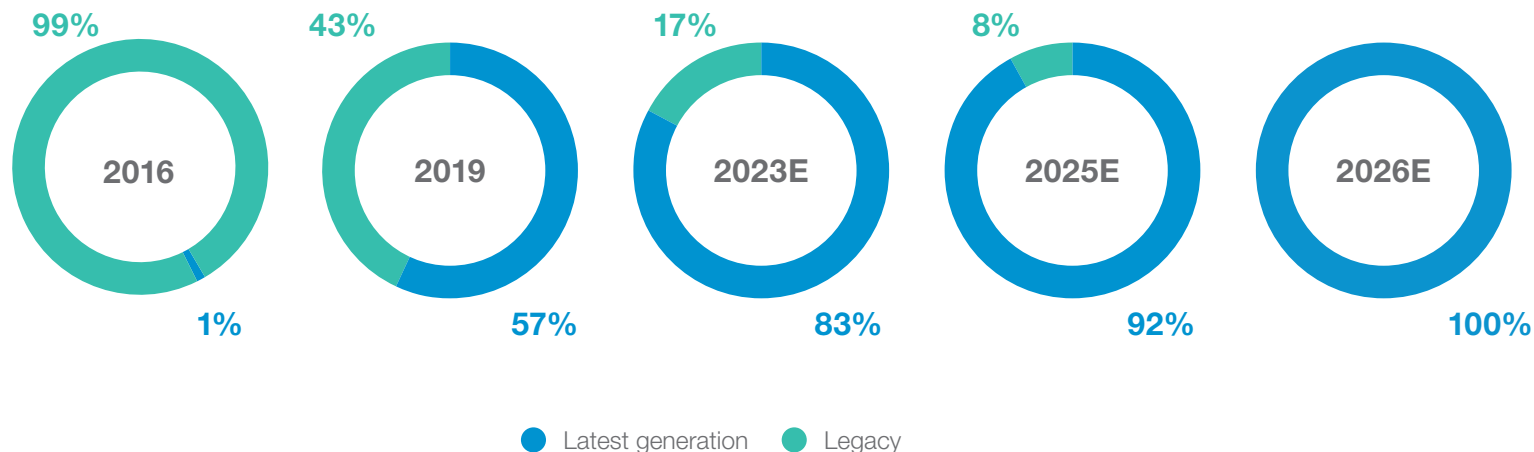
Embraer E2





Our plan is to have **83%** of our fleet composed of these aircraft by 2023 and **100%** by 2026

LATEST GENERATION FLEET (% OF ASKS)



Sustainable aircraft

GRI 103-1, 103-2: 302 Energy

We are committed to having the youngest fleet of Aircraft in the country, with constant investments in efficient aircraft with low fuel consumption. We also have a diversified fleet consisting of different aircraft models. This gives us an efficiency gain when it comes to selecting the right model for the right mission.

In 2021, our fleet had an average age of 6.6 years. At the end of 2021, there were 161 aircraft, 60% of which being new-generation.

The search for the development of new aircraft is based on the innovation of aircraft engines, with superior performance and less fuel consumption, resulting in a significant reduction in the emission of polluting gasses.

The use of more efficient aircraft, combined with route optimization and operational improvements, contributes to a reduction of up to 19% in fuel and emissions from 2016 to 2021, generating more than R\$ 136 million in savings per year. We intend to have an entirely new generation fleet

before any airline in Brazil, which will help us to become NetZero by 2045.

The Airbus A320neo, for example, seats 56 more passengers and the average reduction in fuel consumption per seat is 47% compared with the Embraer E195-E1. The E195-E2, Embraer's largest commercial aircraft, can seat 136 people and consumes about 30% less fuel per seat than the E1.

In addition, these new aircraft are quieter and emit fewer secondary air pollutants, benefiting not only Azul, but also all of society.

Electric aircraft

In 2021, we announced a partnership with the German company Lilium to build a network with eVTOL electric aircraft in Brazil starting in 2025. The agreement includes a proposal for the acquisition and exclusive operations of 220 aircraft, by Azul which can take off and land vertically.

The effort to implement operations with eVTOL aircraft, 100% electric and with zero carbon emissions, is part of Azul's innovation strategy and maintenance of an increasingly sustainable business model, in line with ESG commitments and best market practices.



Noise reduction

GRI 103-2: 413 Local Communities

We are the only Brazilian airline operating aircraft with stage 5 noise certification from the International Civil Aviation Organization (ICAO), one of the most restrictive in terms of the level of noise that can be generated by aircraft.

This means that our new-generation aircraft have a lower noise level during all phases of flight, contributing to the acoustic comfort of Customers, Crewmembers, and people living near airports.

More sustainability in fuels as well

GRI 103-2: 302 Energy

We actively participate in sustainable fuel forums (SAF) and government discussions to promote the environment necessary for the use of this fuel in our operations.

We are also contributing to the Combustível do Futuro project, led by the Ministry of Mines and Energy, through the ProBioQAV subcommittee, which aims to introduce SAF into the Brazilian energy matrix by building a specific public policy in Brazil and promoting the use and production of AFS in the country. This work will result in a legal framework and infra-legal norms, regulations and other referrals, the inclusion of the SAF definition and the updating of the BioQAV concept in the Petroleum Law 9,478/1997.

We are encouraging SAF research and production in Brazil with our Partners and monitoring potential more assertive routes for production in our country.

Cargo aircraft conversion

GRI 103-2: 305 Emissions

In 2021, Azul Cargo converted two aircraft into cargo planes, following ANAC's 600 resolution that allows airlines to use aircraft seats to carry cargo. By the end of the year, we reached a total of 5 aircraft.

In 2022, four E195 F-Class aircraft converted into cargo planes will be added to the fleet, being the first of its kind in the world. Their cargo capacity will increase by 114%, reaching 15 tons, giving our logistics Customers a competitive advantage.

These types of fleet added to Azul Cargo's operation add unparalleled flexibility and cost-effectiveness to its logistics operation. At the same time expanding the load capacity of the Embraer E195 from 7 to 15 tons, significantly lowering its travel cost to help Azul Cargo transform its logistics in Brazil, thusly reinforces Azul's commitment to the environment, as this gains a reduction of 7,900 tons of carbon emitted per aircraft per year.

Tire transport

GRI 103-2: 305 Emissions

Together with Michelin, we have developed a plan to simplify the transportation of purchased tires that departs from Thailand to Campinas (SP). The plan foresees a reduction of 103 tons of carbon dioxide emissions per year.

The project started with the mapping of the supply chain by the manufacturer, which identified the possibility of simplifying the routing of its containers. Beforehand, they departed by ship from Michelin's main plant in Thailand, bound for the Port of Savannah, in the United States. From there, they were sent to the company's warehouse and only then were they sent to Brazil.

After a series of studies, a new strategy was designed and implemented loads went from Thailand directly to the Port of Santos or to the Guarulhos Airport, from where they are transported to the Azul hangar, in Campinas (SP).

In addition to the environmental gain, the renewal of the logistics chain between the two companies has improved its efficiency by reducing the transportation time of tires from Thailand to Brazil from 83 to 46 days.

We also tested the use of tires retreaded by Michelin on A320 and Embraer aircraft. 54 of those pilot trials were carried out in 2021. In 2022, the same service was applied to the E2 aircraft fleets and to the E1 and ATR nose gear tires, with an estimation of receiving 600 tires per month in the workshop.

Retreading 100 tires saves five tons of materials preventing the release of more than six tons of CO₂ emissions into our atmosphere while also saving 50 kilos of raw materials.



Tires and Brakes Workshop

Our Tires and Brakes Workshop in Viracopos, is responsible for performing maintenance and repairs of the tires and brakes of Azul's entire fleet, completing one year of operation in April 2021 and totaling 4,500 maintenance procedures.

The 1,300-sqm area received an investment of R\$ 10 million. It was built as part of the strategic plan to connect services that are vital for the operation of airplanes in all cities where we operate our flights. This work reduces maintenance time and cost, as well as the need to transport aircraft to Partners, with significant environmental gains.

The workshop employs around 30 people, the vast majority of whom are ANAC-certified maintenance technicians who work in two lines: Partial Overhaul, in which all tires are dismantled, all parts are cleaned, visually and dimensionally inspected, repaired and assembled. General Overhaul, in addition to all these steps including the painting of semi-cubes and component tests, brake maintenance protocols are also applied to tires, including disassembly, cleaning, inspecting repairing, reassembly and testing.

With semi-automated German-made equipment to remove screws and assemble the tires, Azul's Tire and Brake Workshop has a modern infrastructure that includes state-of-the-art equipment, such as a lathe, oven, hydraulic press, nitrogen generator and shot peening equipment, allowing the execution of repairs of semi-cubes and parts to be carried out in the workshop itself.

The strategic placement of Azul's, Tires and Brakes Workshop in Viracopos is located in the company's largest hub and next to the central stock, which distributes tires and brakes throughout Brazil. In addition, it supplies the changes directly in the hangar and Viracopos runway providing all the materials used by the Workshop itself setting us apart from others. While most maintenance and operations, repairs are carried out externally or in areas far from the workshop, causing an increase in the total time of revision and often a greater need for stock space in the warehouse. This results in a reduction in Turnaround Time (TAT), which is the set of activities that must occur on an aircraft between a landing and its next takeoff.

TIRES AND BRAKES WORKSHOP IN NUMBERS



R\$10 million
invested in
its creation



30 direct Crewmembers,
including maintenance technicians
and technical assistants



4,348 wheel repairs
performed between April
2020 and August 2021



OUR COMPLEX STRUCTURE OF HANGARS

GRI 103-2: 305 Emissions

The maintenance hangar in Campinas is the largest aircraft maintenance complex in Latin America at 35,000 sqm. Its 335 Crewmembers have performed 277 checks and 36 Wi-Fi installations on Azul aircraft since 2020 and have also converted five aircraft into F-Class Cargo in 2021.

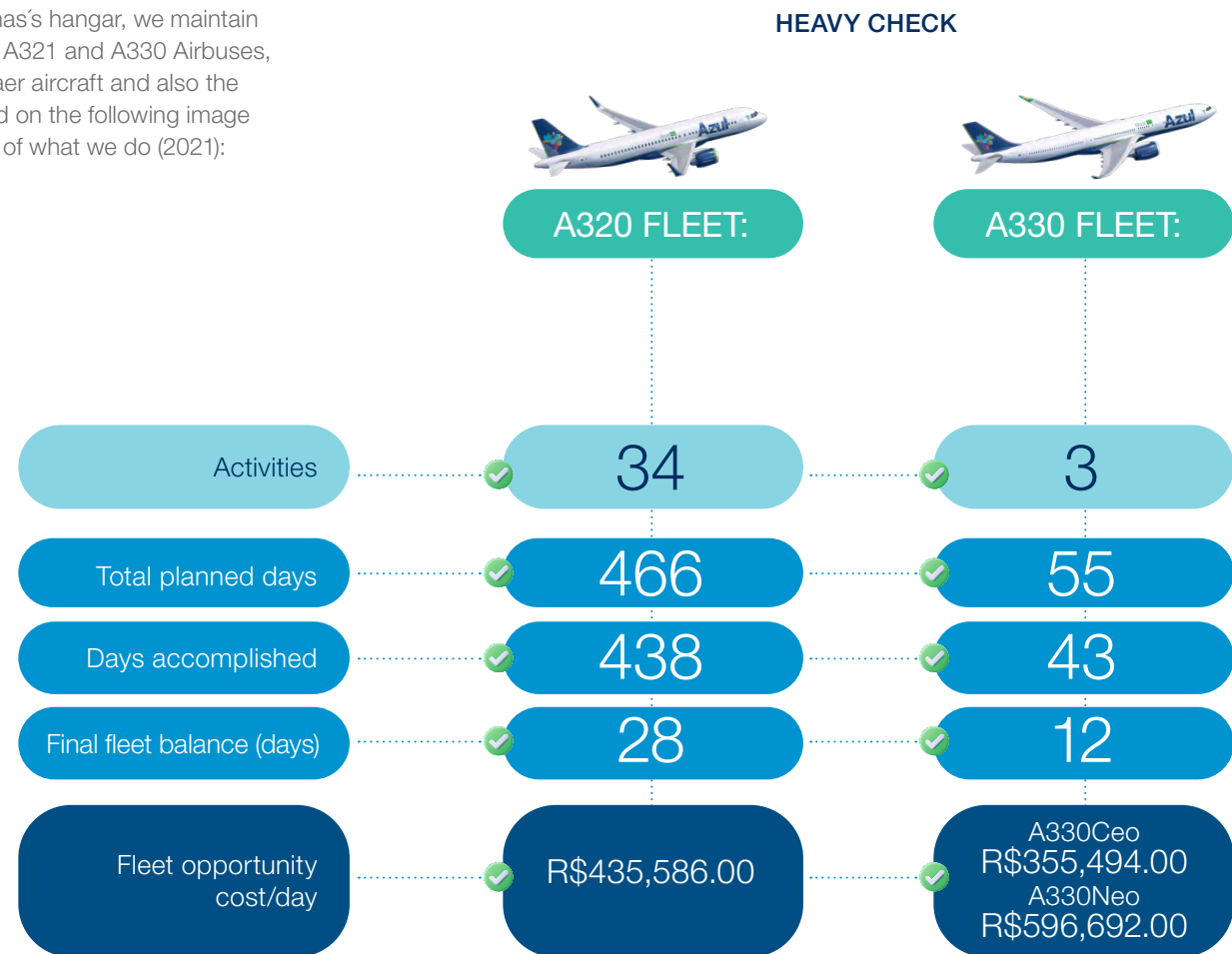
In addition to autonomy in performing our fleet maintenance, the hangar reduced downtime in these operations, resulting in positive effects on aircraft planning and utilization. Wi-Fi installation, which used to take 15 days and was done outside Brazil, now takes 8 days.

With maintenance work carried out at our Campinas hangar, we prevented emitting 347,600 g/CO₂ per aircraft, in each process. This number also corresponds to the commuting trips we avoided due to having an in-house service.

By insourcing services and optimizing our processes, the hangar generated savings of about R\$200 million in its two years of operation and helped reduce CO₂ emissions and fuel consumption. In 2021, there was a reduction of 50 thousand tons g/CO₂.

Our strategy also includes internalizing all of our fleet maintenance in Brazil. For example, our Airbus A330, was serviced in Mexico, with non-productive round-trip flights and high fuel consumption. In 2021, with maintenance carried out in Brazil, in addition to saving expenses we were also able to generate jobs and eliminated unnecessary fuel expenses which consequently reduced our carbon emissions.

In Campinas's hangar, we maintain the A320, A321 and A330 Airbuses, the Embraer aircraft and also the ATRs. Find on the following image examples of what we do (2021):





Our in-house services

GRI 103-2: 306 Waste

Our hangars carry out various in-house maintenance activities for our aircraft, thus generating environmental benefits. We have a **painting workshop** for aeronautical components, which guarantees greater quality and durability of our painted parts; **armchair workshop**; **tire retreading service** and **structure for the treatment of oil waste**.

The **Composite Materials Workshop** of Pampulha (Minas Gerais) manufactures ATR/E1 aircraft floors, providing financial savings of up to 65% compared to the purchase of a new floor. Saving more than R\$ 3 million. The aircraft floors that were previously discarded are returned to production, being converted into pallets, supports for shelves and benches. In Campinas, the **flooring machinery** performs the programmed cutting of floors for our planes, saving R\$ 35,000 per panel.

Furthermore in Minas Gerais, we **inspect the engine-mounted screws** of the E1 fleet, preventing the premature disposal of these

screws. Other services provided include: the **polishing of windows**, enabling the reuse of those that would be discarded due to excessive scratches; the **repair of Blind Reveral ATR**, with more than 500 units repaired and **ATR Backshells**, avoiding the disposal of more than 300 plastic articles; completely restructuring broken parts of the **Waste Doors** on the Embraer 195 aircraft. With all these initiatives, saving more than R\$17 million as well as four thousand pieces are no longer discarded.

In Campinas (São Paulo), the **refurbishment of seat covers** reduces waste disposal and the need to purchase new seats. 4,500 seat covers were already refurbished, saving approximately R\$ 5 million.

Lift, a piece of equipment for suctioning the overspray when retouching the aircraft's paintwork, is scheduled to start operating in 2022. This will generate many benefits for the workers and environment, reinforcing our commitment to people and sustainability.

Green hangar

Our aircraft maintenance hangar in Confins (MG) is the only green hangar in Latin America. Approved by the Brazilian National Civil Aviation Agency (ANAC), it uses **100% renewable energy** in its operations and has a Wastewater Treatment Plant. The project was submitted and approved with a suggestion for the LEED SILVER certification of the CTE company, which involves the design and construction stages.

FUEL EFFICIENCY PROGRAM - PEC

GRI 103-2: 302 Energy

Since 2015, we have implemented a fuel efficiency program (PEC). The program along with its dedicated team is in line with only the best practices of the International Air Transport Association (IATA), which has reduced CO₂ emissions by 3.1% since the implementation of this program.

Part of this program is the continuous search for more efficient routes, fuel usage and more effective operations. The relative idleness of Brazilian airspace in 2021 allows us the opportunity to request that the Airspace Control Department (DECEA) optimize some of our routes to

shorten distances and render the operation more efficient. We design the air network and request route changes from DECEA where our pilots study the flights monthly.

In 2021, PEC was composed of a dedicated team of three professionals with extensive experience in fuel economy, flight operations and data science, working in partnership with the most varied areas of Azul: Flight Operations Engineering, M&E, CCO, Airports, Cabin and Flight Standards, Pilot Management, Catering, and Handling and Finance. The principles and situations that configure fuel economy opportunities were disseminated,

preparing our Crewmembers for a more efficient operation from an environmental point of view. The program guides our Crewmembers, providing operational feedback that allows them to continuously improve flight techniques.

The PEC was created at the end of 2014, following the IATA fuel efficiency best rules of practice as its basis. Since then, it has implemented several initiatives, initially using the market and IATA standards as a reference, constantly evolving, implementing initiatives that are outside the standard and are unique to Azul, which enhance the results of the program both economically and environmentally.

In 2021:



4.3% reduction in projected distances, which is equivalent to
12,480 tons of Jet A-1 fuel, or
39,448 tons of CO₂.



106 optimized routes contributed to the reduction of
483.5 tons of Jet A-1 fuel, or
1,527 tons of CO₂ for the PEC.



77,553 tons of CO₂,
24,542 tons of Jet A-1 fuel, or
R\$ 108 million
saved with the PEC in the year.

Another very important action being done by Azul is the search for greater efficiency in route optimization. On two fronts, it was possible to considerably reduce the fuel needed to complete the stages, which today represents about 50% of the entire measured result of the PEC. Through requests for direct routes (DCT) in flights, in 2021 we reduced an average of 4.3% of planned distances, which considering the volume of operations is equivalent to 12,480 tons of Jet A-1 fuel or 39,448 tons of CO₂.

With the identification of frequently approved orders, we work to incorporate them into planned routes together with Air Traffic Control (ATC). The optimization of 106 routes planned in 2021 contributed to the reduction of 483.5 tons of Jet A-1 or 1,527 tons of CO₂ for the PEC.

In 2021, the PEC had measured savings of 77,553 tons of CO₂, 24,542 tons of Jet A-1, or R\$ 108.83 million, a value certainly lower than in reality, given that there are initiatives that have not yet been measured but have already been implemented at Azul. These savings represent a measured efficiency improvement of 3.1%, which is considerably higher than the market standard (~2%).

Route optimization

Azul continues its development with DECEA, seeking to optimize routes, transit of cargo and passengers. It results in fuel economy, consequently reducing greenhouse gas emissions, and contributing to better efficiency of our operations.

In the first week of each month, we study the network for the following month. We identify the routes and collect the history of each one, evaluating opportunities for the reduction and redesigning routes that are then submitted to DECEA for evaluation. Upon approval, our subsequent flight plans begin to consider route and airspace optimizations.

In 2021

we were responsible for almost

90% of optimization requests to DECEA, which brings a gain of about **16** tons of CO₂/month per route and more than **R\$ 250** thousand per month.



PAPERLESS PROJECT

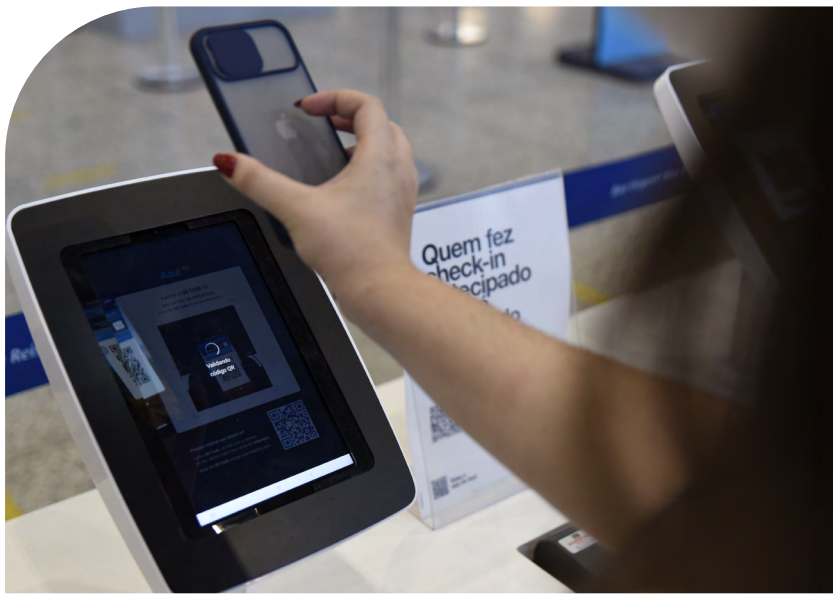
GRI 103-1, 103-2, 103-3: 301 Materials

Started in 2020, the goal of this project is to reduce or eliminate the use of paper in the dispatch of all of our flights by the end of 2022 through the digitization of mandatory flight documentation and the use of tablets on all aircraft in our fleet.

We typically have documentation that amounts to about 26 sheets of paper per flight, and the project can avoid the consumption of more than 20,000 sheets of paper per day. In addition, each plane used to carry 15 different manuals, which together weighed almost 80 kilos. Today, these are all stored on a tablet, and several flight dispatch processes take place digitally.

The Paperless Project is already in place on the entire A330 fleet, pending approval stages or tablet purchases; the implementation of the Pilot's Operational Manual (POH) in digital format, the cargo manifest and the electronic logbook on the A320, A321, E1, E2 and ATR. The A320 and A321 manuals will also be digitized in 2022 and installed on tablets, generating savings of R\$2.7 million per year.

In 2021, 20 kg of onboard paper was eliminated. We stopped transporting more than 225 tons of paper on the 11,175 flights performed by Azul Conecta. With the consolidation of the new projects, considering 80 daily flights (37 kg per flight), we will no longer transport 1,080 tons per year, saving fuel and paper.



1,080
tons of paper are not transported per year, saving paper and fuel



Paperless in numbers

Reduction of **841** tons of CO₂/year.

20 kg of paper eliminated from each aircraft with the removal of aeronautical charts and part of the documents – a reduction of 53% of the total paper in the aircraft.

7,439,040 sheets of paper not being consumed per year in flight dispatch (equivalent to the preservation of 992 trees).

70 tons of CO₂ per month were no longer emitted.

R\$ 2.7 million savings in paper copies per year.

R\$ 796 thousand invested in the project.

R\$ 1.2 million in savings generated per year in the fleet.

AUXILIARY OPERATIONS

GRI 103-2: 302 Energy

When airplanes are on the ground far from terminals, they need energy to function. This energy can come from Ground Power Units (GPU) – diesel-powered equipment that provides energy to planes when they are parked at the airport – or from Auxiliary Power Units (APU) – jet-fuel powered equipment that allows an aircraft to operate autonomously in a more efficient manner, without relying on ground support equipment. To save fuel and consequently reduce emissions, we have the APU Zero project, whereby we prioritize the use of GPUs over APUs.

We also conceived and developed, together with Partners, the use of Air Conditioning Units (ACUs), equipment that keeps the aircraft at a pleasant temperature without having to keep the engines running and consuming fuel. Today, we have 56 ACUs available on 34 bases. We are advancing with a feasibility study project to know the time of use of the equipment on each flight, measuring the savings generated.

In the stations of Campinas (SP), Recife (PE), Santos Dumont (RJ), Guarulhos (SP), Congonhas (SP) and Manaus (AM), we are currently using equipment in which the GPU and the air conditioning are combined to a single device, generating savings.

Our Azultecs, Airports, Pilots, GSE, Safety, Institutional Relations and Engineering teams are expanding the APU ZERO Program in Confins (MG), where nine jet bridges will be supplied with electricity and have air conditioning equipment. Remote ones will have five units of combo with Confins, we will have the APU ZERO program in all our hubs.

 **Financial gain:**
R\$ 490k/month

 **Sustainability gain:**
210 ton CO₂/month

EFFICIENCY ON THE GROUND

The search for efficiency also takes place outside the aircraft by using LED lights in corporate buildings and hangars, using ethanol in the ground fleet, using predictive maintenance in the simulators, and regulating the air conditioners according to the number of people and the outside temperature to avoid unnecessary energy consumption.

CONSUMPTION OF MATERIALS

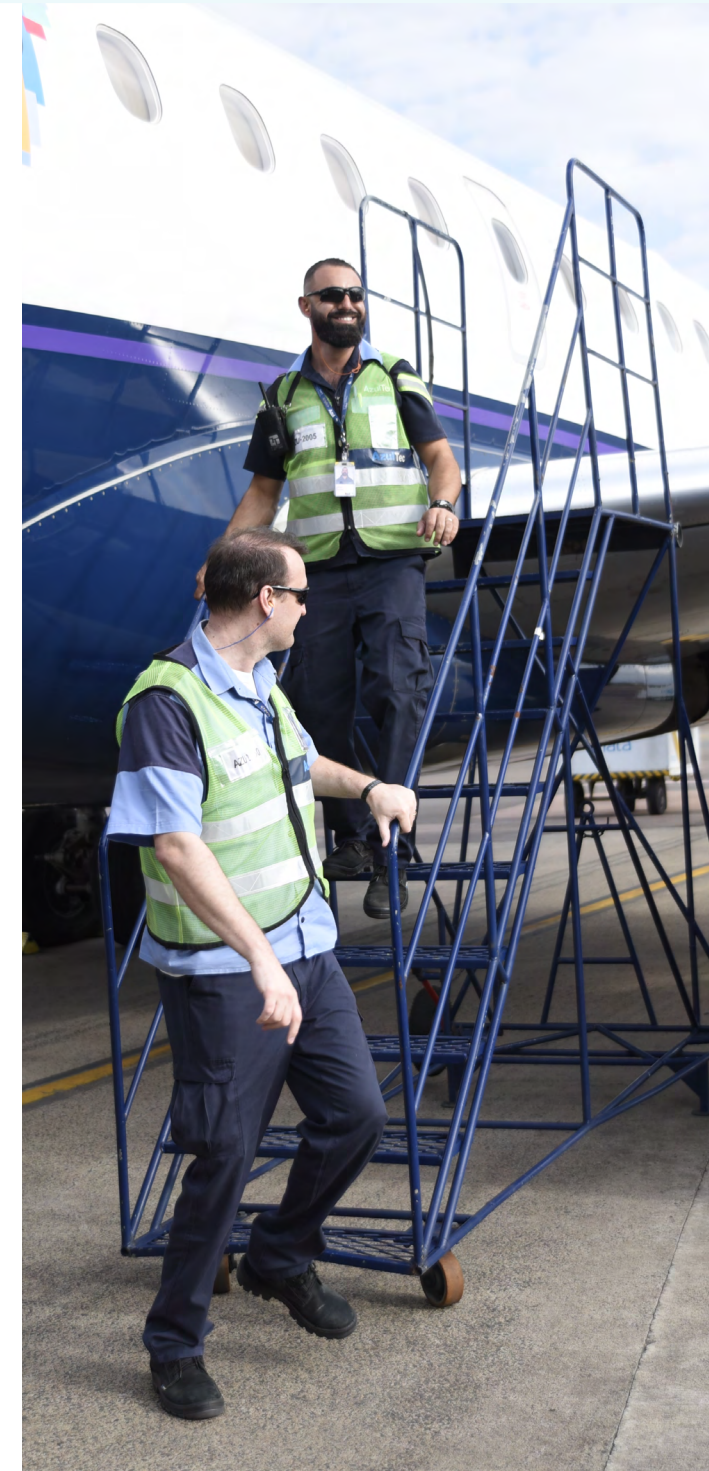
GRI 301-1

Fuel, aviation lubricants for aircraft maintenance, and snacks and drinks from the in-flight service are the main materials consumed in our operation. Azul is the only airline in the country that recycles the material used in the in-flight service.

NON-RENEWABLE MATERIALS USED in liters

	2019	2020*	2021
Aviation lubricants	153,037.45	53,404.54	149,889.89

**The reduction in the volume of non-renewable materials used in 2020 is due to the COVID-19 pandemic.*



ENERGY MANAGEMENT

GRI 103-1, 103-2, 103-3: 302 Energy

We are aware of our responsibility in the use of energy, and we are working to improve our energy management. We started the process of entering the free energy market in 2021 by purchasing renewable energy in the Brazilian market. By 2021, the percentage of renewable energy we purchased had reached 50%.

In 2021, according to the Carbon Disclosure Project (CDP) inventory, we offset 50% of the energy used in the year through the issuance of Renewable Energy Certificates (I-REC), and we will offset 100% by 2030.



Our energy consumption in 2021:

ENERGY CONSUMPTION (GJ)

GRI 302-1

	2021
Total consumption of fuels from renewable sources (hydrous ethanol)	201.83
Total consumption of fuels from non-renewable sources (gasoline, diesel, LPG, Aviation kerosene - QAV, fuel oil)	42,048,455.05
Electricity consumption	2,757.41
Total energy consumption within the organization	42,051,414.29

ENERGY CONSUMED – DETAILS (IN GJ)

	2021
Fuels from non-renewable sources	42,048,455.05
Liquefied petroleum gas (LPG)	31.60
Automotive gasoline (commercial)	3,743.51
Fuel oil	89,077.70
Diesel (commercial)	4,097.99
Aviation kerosene	41,951,504.26
Fuels from renewable sources - Ethanol	201.83
Energy – REDE	2,757.41
Total	42,051,414.29

WASTE MANAGEMENT

GRI 103-1, 103-2, 103-3: 306 Waste, 306-1, 306-2

Waste generated is a relevant issue in an airline's operations, since it allows for constant improvement in the company's environmental performance, either by minimizing the risks of accidents and environmental impacts or by identifying possible sources of waste. Although we do not yet have structured goals regarding this topic, we manage this through an Integrated Waste Management Program and Hazardous Waste Management.

Hazardous waste (except infectious) comprises 100% of our maintenance stations and hangars (waste generated on flights and ground operations is not included).

Regarding non-hazardous waste, its collection and final disposal are the responsibility of local administrators and condominium owners, with the exception of the Viracopos Hangar, Goiânia, Pampulha Hangar, UNIAZUL and Warehouses, where Azul is responsible for disposal.

We monitor all our stations regarding the generation and disposal of hazardous chemical waste to ensure that such materials generated in aircraft maintenance activities are disposed of properly. Our Partners are audited to ensure they comply with current legislation such as Operating License and Federal Technical Registry of the Brazilian Institute of Environment and Renewable Natural Resources (CTF IBAMA), Inspection Report of the Fire Department (AVCB) and Permit. In addition, we are periodically visited by our waste manager.

Our main risks associated with waste are contamination of soil and water with the aviation lubricants used in aircraft maintenance and waste contaminated with oil, paints, and greases. The same risk applies to infectious in-flight waste generated during flight operations.

For our activity to have the least possible impact on the environment, we have control measures in place to manage our waste. We have defined guidelines that guide Crewmembers in the handling, packaging, transport, and disposal of waste. To ensure alignment with the suppliers who dispose of this waste, our contracts have clauses that address legal compliance for proper disposal of collected waste, in compliance with environmental legislation.



WASTE GENERATED IN METRIC TONS

GRI 306-3

	2021
Total non-hazardous waste	395.89
Total hazardous waste	357.09

Notes:

Non-hazardous waste: paper, plastic, wood, etc.

Hazardous waste: lamps, oils, paints and other contaminating substances.

Waste is disposed of by appropriate third-party companies, seeking the best local alternative available. The data collected refer only to the waste disposed of by Azul. Waste generated and disposed of by airports or condominiums is not included.

Eureciclo Seal

In 2020 we partnered up with the Eureciclo Seal to offset the environmental impact of 100% of the post-consumer waste generated by our in-flight service. Eureciclo is a Brazilian initiative that promotes the development of the recycling chain and encourages the circular economy through environmental compensation of recycling packaging, and direct compensation to the operators.

Through the agreement, we guarantee that the same amount of waste discarded after our flights is recycled by Partner cooperatives in each state destination we flew to in 2021. This practice has been adopted since 2019.

To date, 100 tons of snack packaging units have been recycled, around 100% of the total served to our Customers both on domestic and international flights, benefiting 30 Brazilian cooperatives.

Pallets

In Viracopos (Campinas - SP), we properly dispose of the wooden pallets used for cargo handling. We will also replace all wooden pallets with plastic since they are more durable and recyclable. We recycle 5 thousand kg of plastic and 60 kg of wooden pallets per month. In the city of Belém in the state of Pará, we are already painting wooden pallets to extend their life.

Certifications and approvals

In July 2021, we obtained approval for the operation of the Airbus A320neo that allows these aircraft to perform approach procedures at the Santos Dumont airport in Rio de Janeiro, even under adverse weather conditions. This reduces the possibility of our flights being diverted to the Galeão Airport when there are unfavorable weather conditions.

In August, we received ANAC certification to operate the Embraer E2 in the Congonhas (São Paulo) and Santos Dumont (Rio de Janeiro) airports, which have shorter runways that require specific technical certifications. The E2 model, which carries 136 people, is equipped with engines that reduce the operating cost per seat by up to 25%.



FROM PEOPLE TO PEOPLE



In this section, you will find our initiatives related to:

INTEGRATED REPORTING:

Human Capital; Social and Relationship Capital

SDGs:



PRINCIPLES OF THE GLOBAL COMPACT:

- 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 4. The elimination of all forms of forced and compulsory labor;
- 5. The effective abolition of child labor;
- 6. Eliminate discrimination in respect of employment and occupation.

MATERIAL TOPICS:



Good Health and Well-Being
Customer Experience
Relationship with Partners

As John Rodgerson, our President and CEO often express, “we are a company of people that coincidentally owns aircraft.” That is why our history is built upon a transparent, serious, respectful relationship that values each of our Stakeholders.

We mainly interact with our Crewmembers, Customers, Partners, social institutions, consumer protection bodies, unions and trade associations, federations and regulatory bodies such as the National Civil Aviation Agency (ANAC), the Airspace Control Department (DECEA), the Center for Investigation and Prevention of Aeronautical Accidents (CENIPA), the International Air Transport Association (IATA), the National Transportation Safety Board (NTSB) and the International Civil Aviation Organization (ICAO). [GRI 102-40](#)

These Stakeholders are prioritized according to our strategy and market practices and in compliance with regulations and standards. It focuses on the continuous improvement of our services and flight safety, with ongoing attention to the well-being of our Crewmembers and the satisfaction of our Customers. [GRI 102-42](#)



OUR CREWMEMBERS

GRI 102-43

Culture

It is part of our mission to make Azul the best job in the lives of our Crewmembers. That is why our Cultura Azul has people as one of its strategic pillars. We are focused on our people and for this reason, our culture is disseminated among our Crewmembers through numerous initiatives.

The strength of our culture and passion for being part of the best airline in the world along with the crucial engagement of our Crewmembers, allowed us to come out ahead in the national aviation market by resuming our activities with strength and agility in 2021.

Horizonte Azul

It is with this spirit of engagement and a strong sense of belonging that we launched Horizonte Azul. We had difficult times, but we worked hard to create a beautiful future ahead of us. The Horizonte Azul is a movement to inspire our Crewmembers to fly further and further through the clouds towards new horizons.

We collected 10,569 signatures from our Crewmembers in 100% of our stations, symbolizing everyone's commitment to a future that we plan and build together.

We have 150 Cultural Agents in 70 different cities of Brazil. They are fundamental in the communication processes of our Culture, encouraging positive attitudes to face transformations and engaging in our programs and campaigns. The recruitment of new Cultural Agents is planned for 2022, as well as the relaunch of a new revitalized program.

Chega mais

The Chega Mais is an initiative to strengthen our Azul Culture, in which our leaders are godfathers/ godmothers of our stations bringing topics such as the market outlook for Azul, NPS, Azul's overview, Customer and Crewmembers feedback, information about aircraft fleets, planning, governance, cultural matters such as Good Ideas Take Off, Health, Wellness and Sustainability programs, etc.

This special moment was created for the best Crewmembers in the world with two in-person editions in 2021, with 199 visits to our stations and a score of 9.7 (out of a maximum of 10) in the item "Importance of Chega Mais for the strengthening of the Azul's Culture".

Welcome Aboard

Welcome Aboard is our integration program. It integrates new Crewmembers into Azul's culture, introduces the company, and shows what Azul has to offer as well as what is expected of them. It counts on the participation of different areas as well as the Executive Committee of Azul. It is carried out in the form of a face-to-face and/or online learning course. In 2021, 21 classes were held with a total of 1,433 participants.



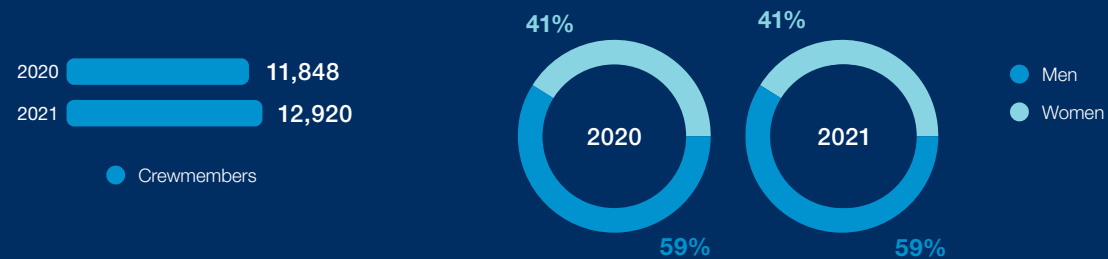
Who are our Crewmembers?

With Azul's launch in 2008, our dream was to become the best airline in the world, with the purpose of offering the best job experience in its future Crewmembers' life. We take care of our Crewmembers by offering them wellness benefits and professional development opportunities. They have the autonomy to proactively innovate and experiment with new things, making Customer experiences exceptional. The Azul experience is built to be flexible and enjoyable.

THE AZUL CREWMEMBER

GRI 102-8

TOTAL CREWMEMBERS



TOTAL NUMBER OF CREWMEMBERS BY EMPLOYMENT CONTRACT AND GENDER

	2019				2020				2021									
	Men		Women		Total		Men		Women		Total							
Permanent Azul's Crewmembers	7,837	58%	5,687	42%	13,524	98%	6,800	59%	4,799	41%	11,599	98%	7,556	60%	5,143	40%	12,699	98%
Temporary Azul's Crewmembers	111	47%	126	53%	237	2%	138	55%	111	45%	249	2%	91	41%	130	59%	221	2%
Total	7,948	58%	5,813	42%	13,761	100%	6,938	59%	4,910	41%	11,848	100%	7,647	59%	5,273	41%	12,920	100%

TOTAL NUMBER OF CREWMEMBERS BY EMPLOYMENT CONTRACT AND REGION

	2019						2020						2021					
	North	Northeast	Midwest	Southeast	South	International	North	Northeast	Midwest	Southeast	South	International	North	Northeast	Midwest	Southeast	South	International
Crewmembers with permanent employment contracts	375 (3%)	1,284 (9%)	442 (3%)	10,238 (76%)	1,076 (8%)	109 (1%)	300 (3%)	1,033 (9%)	315 (3%)	9,080 (78%)	768 (7%)	103 (1%)	433 (3%)	1,273 (10%)	380 (3%)	9,894 (76%)	907 (7%)	55 (0.42%)
Crewmembers with fixed term or temporary employment contracts	3 (1%)	64 (27%)	3 (1%)	157 (66%)	10 (4%)	0 (0%)	9 (4%)	84 (34%)	12 (5%)	132 (53%)	12 (5%)	0 (0%)	13 (6%)	45 (20%)	7 (3%)	90 (41%)	23 (10%)	43 (19%)
Total	378 (3%)	1,348 (10%)	445 (3%)	10,395 (76%)	1,086 (8%)	109 (1%)	309 (3%)	1,117 (9%)	327 (3%)	9,212 (78%)	780 (7%)	103 (1%)	446 (3%)	1,318 (10%)	387 (3%)	9,984 (76%)	930 (7%)	98 (0.74%)

NUMBER OF CREWMEMBERS BY TYPE OF EMPLOYMENT AND GENDER

	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Full-time Azul's Crewmembers	7,834 (58%)	5,726 (42%)	13,560 (99%)	4,849 (41%)	6,859 (59%)	11,708 (99%)	7,553 (59%)	5,227 (41%)	12,780 (99%)
Part-Time Azul's Crewmembers (up to 25 hours per week)	114 (57%)	87 (43%)	201 (1%)	61 (44%)	79 (56%)	140 (1%)	94 (67%)	46 (33%)	140 (1%)
Total	7,948 (58%)	5,813 (42%)	13,761 (100%)	4,910 (41%)	6,938 (59%)	11,848 (100%)	7,647 (59%)	5,273 (41%)	12,920 (100%)

DIVERSITY IN LEADERSHIP GRI 405-1

	Men	Women	Total
Vice President	4	0	4 (0%)
Director	12	5	17 (29%)
Senior manager	35	13	48 (27%)
General manager	69	29	98 (30%)
Airport manager	43	19	62 (31%)
Supervisor/coordinator	417	233	650 (36%)
Pilot	951	19	970 (2%)
Lead flight attendant	314	1,212	1,526 (79%)
Total	1,845	1,530	3,375 (45%)

The best experience for our Crewmembers

To achieve our target of making our Customers experience the best flight of their lives, it is essential that our Crewmembers are also satisfied, having the best job experience of their lives. That is what we believe. That is why we are always innovating their experience.

In 2021, we started creating the **Minha Azul** app, which aims to offer a range of services that were previously spread across different channels, providing easy access to working tools. Through our app, we can notify Crewmembers when new training or programs are launched, in addition, allowing the registration of hours worked and sending documents. In line with our Customer service strategy, we will increasingly offer technological and practical solutions for the daily routine of those who represent Azul.

The app, which had more than 8,000 downloads with a daily average of 1,143 unique accesses, was well-accepted by users. It expands the Crewmembers' user experience, allowing them to quickly and easily solve several issues in a single place.

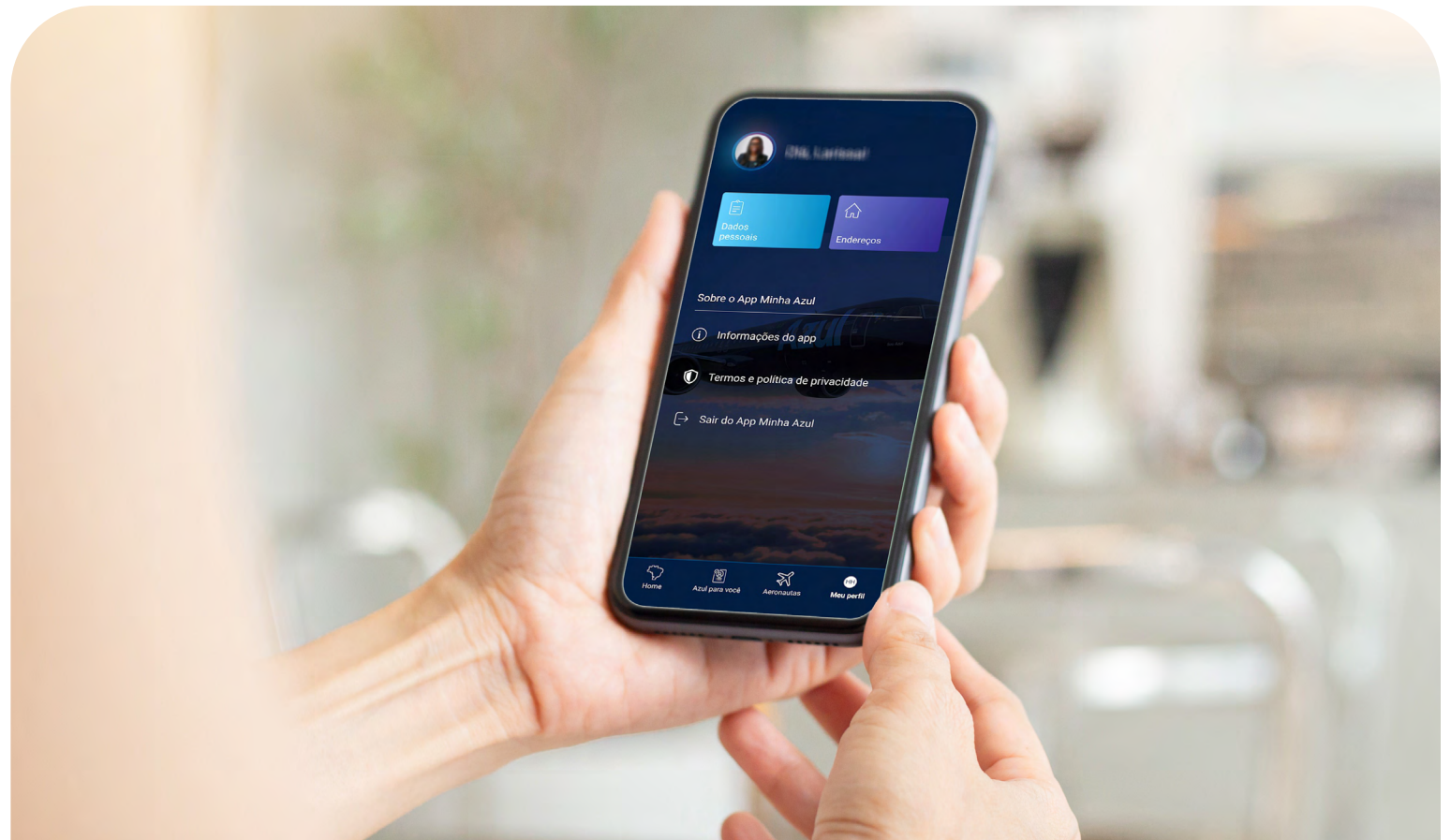
Totally customized for both Azul and our Crewmembers' needs, the app brings several functionalities that are constantly evolving, with new applications being built and updated. Just as our Customers enjoy a unique digital experience with our app, our Crewmembers also have the privilege of using a tool designed exclusively for them.



The **Minha Azul** app had **8,000 downloads** and a daily average of **1,143** unique access

Digital hiring

A new digital hiring program was also implemented. This program allows all stages of the Crewmember hiring process to be digitally monitored by the contracting area, from the opening of the job position to communicating applicant approval. This implementation enables improvements in the process as a whole, making it more fluid, and integrated reducing response time. Additionally, it complies with the General Data Protection Law (LGPD), eliminates the need of spreadsheet controls and performs systematic monitoring.



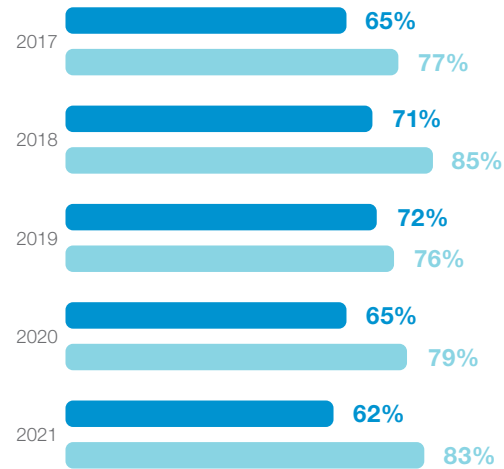
Engaged Crewmembers

GRI 102-43

The Engagement and Climate Survey is conducted annually to measure the satisfaction and engagement of our Crewmembers. Anyone working at Azul for more than three months is eligible to participate, and the results of the survey are used as input to feed our action plans.

The 2021 edition had 8,133 Crewmembers participants and achieved 83% favorability, compared with 79% in 2020. The survey is divided into four blocks of questions – My Work; My Manager; My Team; My Organization – and identifies aspects related to meaning, autonomy, growth, impact, and connection.

ENGAGEMENT AND CLIMATE SURVEY



- Percentage of Crewmembers who responded to the survey
- Satisfaction rate - overall favorability*

*Survey method: from 2016 to 2018, the scale ranged between 0 and 10. In 2019, we joined forces with DecisionWise to apply their globally accepted methodology named "MAGIC". As a result, the answer scale was reduced from 1-10 to 1-5.





Diversity, equity, and inclusion

[GRI 103-1, 103-2, 103-3: 203 Market Presence, 405 Diversity and equal opportunity, 406 Non-discrimination, 406-1](#)

Diversity is one of our strengths; it is part of who we are. We are diverse among people, in our network, in our routes, and in our aircraft models. We recognize the value of diversity and all of its benefits for Azul and the relationship amongst our people. We promote this diversity on a daily basis.

We want each Crewmember to be accepted and celebrated for who they are. By promoting inclusion in every detail, with flexible policies, everyone has the freedom and confidence to present themselves as they are. We know we have a long way to go, but we believe that we are on the right path.

We work to maintain a friendly and safe work environment, where everyone is treated fairly, equally, cordially, and with respect. Non-discrimination is part of our strategy, our values, our [Code of Ethics and Conduct](#) and our [Diversity Policy](#).

Despite our beliefs and practices, in 2021 Azul recorded seven cases of discrimination regarding color, retaliation, and other forms of discrimination involving internal and/or external Stakeholders in our operations. One of the cases was deemed to be unfounded. In response, we provided guidance/training

(two cases), suspension (two cases), and termination of the Crewmembers involved (two cases). It should be noted that, upon joining Azul, all Crewmembers undergo training on the Code of Ethics and Conduct. [GRI 406-1](#)

These occurrences are exceptions as at Azul we value and practice respect for everyone, every day.

Azul is made by people for people. We want to make Azul an even more diverse, accessible, inclusive, and equitable place where our values and respect are held at the highest level of our foundation. Hence the name **Respeito Azul** for our diversity, equity and inclusion program.

We want people to have our way of being, regardless of culture, origin, ethnicity, or gender. Our culture is of zero tolerance for discrimination, violence and harassment with all public with whom we interact.

Therefore, Phase 1 of Respeito Azul, from May 2021 to January 2022, included a diagnosis with specialists based on 51 interviews carried out with our top leadership, along with conversation circles including 300 trained leaders and the definition of the program concept

In 2022 we have Phase 2 which plans to deliver the design of the strategy and governance of the program, the review of internal policies and processes, the definition of corporate objectives and goals, the development of our leaders and teams on the subject and the establishment of the DE&I Committee (Diversity, Equity & Inclusion).



Respeito Azul Commitment

Respect is the core of any value

It is the wing that guarantees **safety**

Consideration's **best friend**

Integrity's **main ingredient**

The best thermometer of a **healthy passion**

Only with respect will the engine of **innovation** start

Without it, there is no excellence

Because respect is for everyone

It is respect that builds a more diverse, accessible, and inclusive world

When you have respect

The sky is Blue (Azul) for everyone

Respeito Azul's pillars of action



1. Socioeconomic:

to include socially vulnerable young people, offering employment opportunities and the development of education through and for work.



4. Race:

to promote the inclusion and empowerment of the Black population.



2. People with disabilities:

to hire and include people with disabilities, recognizing their potential and providing them with conditions for professional development, in compliance with the law.



5. LGBTQIA+:

to promote an inclusive work environment, free from discrimination based on sexual orientation and gender identity, which guarantees equal opportunities and rights; to facilitate gender transition.



3. Gender:

to promote gender equality through actions that involve women's empowerment and equal opportunities.



6. Generations:

to promote the inclusion and empowerment of people over 50.



Gender Equality

We work to be the best airline for our Customers, Crewmembers, Shareholders, and society. Therefore, we remain attentive to the most relevant social issues of our time, and we are committed to gender equality. We are the first airline in Brazil to have a woman as general manager of line maintenance.

We monitor indicators of access to leadership and equal pay to promote equality among all, regardless of gender. We accepted the challenge of increasing the percentage of women in our leadership and investing in this path, adopting the development of our professionals as a priority.

Currently, we have 32% women in junior leadership positions (coordinators, supervisors, pilots, and lead flight attendants), while in senior management, 26% of our senior leaders and 29% of our directors are women.



We are committed to Equity as our Priority of the **Global Compact**, to have 50% women in senior leadership by 2030.

We have signed the 25by2025 of the International Air Transport Association (IATA), a global initiative to change the gender balance in the aviation industry and increase 25% the number of women in airlines by 2025.



Global Compact

As a signatory to the UN's Global Compact, Azul follows the Gender Equality SDG whose target is to "Achieve gender equality and empower all women and girls." Therefore, we are committed to:

- Ensuring the full and effective participation of women and equal opportunities for leadership positions at all levels.
- Combat all forms of discrimination against women.

CREWMEMBERS BY AGE AND GENDER

GRI 405-1

	2021				
	Age group (%)			Gender (%)	
	Under 30	30 to 50	Over 50	Men	Women
Directors	0%	67%	33%	76%	24%
General/Senior managers	0%	73%	27%	73%	27%
Managers	1%	77%	22%	70%	30%
Airport managers	0%	89%	11%	69%	31%
Specialists/supervisors/coordinators	7%	75%	19%	68%	32%
Senior analysts	16%	77%	7%	55%	45%
Full analysts	27%	69%	4%	55%	45%
Junior analysts	49%	49%	2%	53%	47%
Aides/Assistants	49%	49%	2%	65%	35%
Operational	21%	69%	9%	90%	10%
Call Center	41%	55%	4%	40%	60%
Cargo	38%	60%	3%	74%	26%
Airport	37%	59%	4%	49%	51%
Maintenance	10%	76%	13%	96%	4%
Flight attendants	26%	73%	1%	22%	78%
Pilots	13%	67%	19%	96%	4%
Total	25%	67%	8%	59%	41%

Note: Data do not include employees of the company Conecta.

DIVERSITY - MEMBERS OF GOVERNANCE BODIES, BY AGE AND GENDER

	2021				
	Age group (%)			Gender (%)	
	Under 30	30 to 50	Over 50	Men	Women
Board of Directors	0%	9%	91%	91%	9%
Board of Executive Officers	0%	75%	25%	100%	0




RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN AND MEN

GRI 405-2

EMPLOYMENT CATEGORY	Ratio		Variation
	Remuneration (2020)	Remuneration (2021)	Remuneration (2021 x 2020)
Directors	95%	99%	+ 4 p.p.
General/Senior managers	86%	91%	+ 5 p.p.
Managers	91%	96%	+ 5 p.p.
Airport managers	90%	98%	+ 8 p.p.
Specialists/supervisors/coordinators	94%	95%	+ 1 p.p.
Senior analysts	89%	92%	+ 3 p.p.
Full analysts	85%	93%	+ 8 p.p.
Junior analysts	87%	94%	+ 7 p.p.
Aides/Assistants	102%	102%	–
Operational	100%	100%	–
Call Center	100%	100%	–
Cargo	100%	100%	–
Airport	100%	100%	–
Maintenance	100%	100%	–
Flight attendants	100%	100%	–
Pilots	100%	100%	–

Notes:

Base salary: fixed and minimum amount paid to the Crewmember for the performance of his/her duties, excluding any additional payments such as overtime hours or bonuses.

Remuneration: base salary plus additional payments.

Note: Additional payments include bonuses based on the Crewmember service time, bonuses in cash and/or in shares, payment of benefits, overtime hours paid, and any additional assistance such as transportation vouchers, housing assistance and daycare assistance.



Development of our people

GRI 103-1, 103-2, 103-3: 404 Training and Education, 404-2

In order to have the most satisfied people working with us, giving everyone the opportunities to develop their careers and improve their knowledge and skills. We continually invest in the training and education of our Crewmembers, according to the regulatory needs of each area of the company in a process of continuous improvement.

Corporate Education at UniAzul

It is at **UniAzul**, our Corporate University, that the training and development programs for our various careers are carried out. UniAzul's team is composed of psychologists, educators, and technical specialists committed to the education and advancement of our Crewmembers, allowing them to carry out their duties with excellence.

Founded in 2009, UniAzul occupies an area of 6 thousand square meters in Campinas (SP) and has training rooms in each of the Confins (MG), Santos Dumont (RJ), Recife (PE), Porto Alegre (RS) and Guarulhos (SP) stations. Periodically undergoing audits such as internal quality audits, audits by the National Civil Aviation Agency (ANAC) and the IATA Operational Safety Audit (IOSA) and the operational safety audit of the International Air Transport Association (IATA).

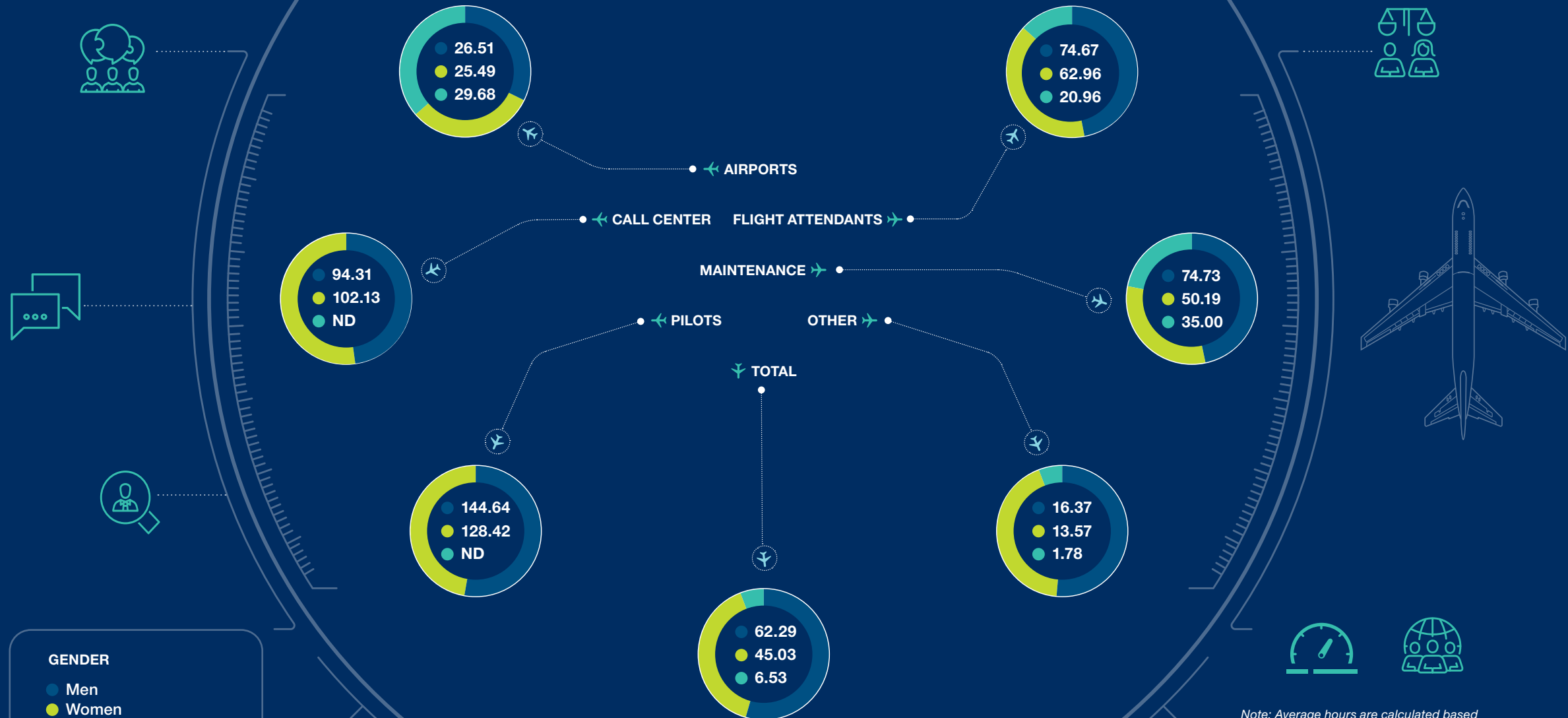
The training courses available are divided according to the target audience: Airports, Azul Center, Cargo, Flight Attendants, Pilots, Operational Flight Dispatchers and Maintenance. We also offer training courses for certification, in compliance with the civil aviation authorities focused on the safety of operations: Dangerous Goods Regulation, Civil Aviation Security (AVSEC), and Corporate Resource Management (CRM).

Starting in 2020, our training was adapted to a virtual format and approved by ANAC. In 2021, we created multi formats and the blended learning model (in-person + digital). Now we are back to having 80% of training conducted in person, with some virtual courses available.

With this dynamic of training, we managed to keep Crewmembers trained within the required deadlines. In 2021, a total of 1 million hours of training were held.



Average number of training hours in 2021, by training area and by gender



Note: Average hours are calculated based on the number of Crewmembers trained.



Professional growth

GRI 103-1, 103-2, 103-3: 404 Training and Education, 404-2

We value our Crewmembers by focusing on their professional growth, and always thinking about creating the best possible environment for the development of their potential. In addition to the training, we offer some tools to support this growth.

PERFORMANCE EVALUATION: our process for evaluating Crewmembers is based on developing the skills required for each position at Azul. It is applied annually to all Crewmembers (excluding Pilots and Flight Attendants), accounting for 58% of the workforce in 2021, and its model is broken down by employment category: 360-degree process applied to managers, directors, vice presidents, and president; 180-degree process applied to coordinators and supervisors with staff; and 90-degree process applied to Crewmembers in other positions. The results serve as the basis for the *Papo para o Futuro* (Chat for the Future), a conversation between leader and subordinate in which they prepare the Individual Development Plan (IDP) together, helping Crewmembers build their journey at Azul. Our feedback includes soft skills workshops and conversation circles to encourage career protagonism. In the 2021 cycle, we had 99.53% adherence out of a total of 7,197 eligible Crewmembers. [GRI 404-3](#)

CAREER DEVELOPMENT: the development of leaders is carried out continuously, through workshops, lectures, development content and even specializations for all management levels. In a partnership with the Institute of Transport and Logistics (ITL), we offer, free of charge, specialization courses in Business Management and Human Resources Management through Fundação Dom Cabral - with 11 scholarships given in 2021 - and Specialization in Aviation Management through Embry-Riddle Aeronautical University - with 10 scholarships given in 2021.

SUCCESSION AND HIGH-POTENTIAL PROGRAM: in 2021, we developed a strategic map of people to identify professionals prepared for the future of Azul. The goal is to know which positions have professionals prepared internally for succession and which positions need to accelerate development, evaluating key and critical positions for Azul. The high-potential professionals undergo a development process that includes counseling, assessment, coaching, mentoring, and technical knowledge, ensuring that we have people who are aligned with our values and skills and who are able to respond with excellence to challenges and to our long-term strategy.

ROLE CHANGE: designed to promote empathy between different functions and areas, it provides the practice in which the Crewmember experiences the routine of another colleague. Through this program, it is possible to know the day-by-day of all areas and functions of Azul, with the exception of the Flight Operations (Pilots) area due to technical regularizations. This program contributes to the development of Crewmembers and can be included in their Individual Development Plan.

SKIP LEVEL: is our resource to encourage transparency and open communication, through which Crewmembers from administrative areas can conduct mentoring sessions with leaders up to two levels above their immediate manager. This is a way to bring the leadership closer to the team, both strengthening engagement and increasing trust among Crewmembers who do not report directly to senior leadership.

Azul's Performance Cycle



For 2022, a Leadership Development program is planned on the following fronts: Leader in Potential, for those who have been mapped for top leadership positions in the corporate and operational areas; Leadership Development, for first-tier leadership positions (coordinators, supervisors, and managers) and Senior Management.



Senior management compensation

GRI 102-35

The compensation of senior management positions considers the alignment between the individual compensation of the executives and the promotion of increasing and consistent results. Fixed compensation takes into account the responsibilities of each function, market practices, as well as the qualification and professional skills of each individual. Variable compensation is defined based on individual and overall performance indicators aligned with our strategic plan.

The goals are established annually. The Company's overall results are measured through financial and operational indicators such as EBITDA, operating margin, on-time performance and internal and external Customer satisfaction surveys.



Open communication

The pandemic placed a large portion of our Crewmembers on remote work. Thus, communication with them became strategic and a priority in our daily work. To ensure that everyone had quick access to the most important information, we created live streamings and an exclusive Instagram for Crewmembers. We also produced video content, which was streamed on our communication channels. That is how we maintained connection and proximity with our Crewmembers. Although physically apart, we were always together.



Recognition

Just as important as evaluating and developing Crewmembers is recognizing a job well done. At Azul, we have several ways to do this.

EXCELLENCE PROGRAM (PEX): at Azul, as fundamental as delivering the best service to Customers is recognizing it, making it clear that we are paying attention to the performance and dedication of our Crewmembers, in valuing our Culture. In addition to showing this care on a daily basis, we officially recognize our talents through the Excellence Program (PEX). The program, which has a dedicated team of evaluators, aims to engage and encourage Crewmembers to always seek excellence. The winners – the champions of excellence – are chosen for their performance in several phases that must be fulfilled by Crewmembers and by the bases of operation to guarantee the best experience for



our Customers. The program involves surveys sent to our Clients via email. In 2021, the PEX team conducted 321 evaluations on different stations and representatives who work with our audience, visiting 94 cities.

BOAS IDEIAS DECOLAM DE TODOS NÓS (GOOD IDEAS COME FROM ALL OF US): is a program that recognizes Crewmembers' ideas, aiming to increase our efficiency and improve processes, products, responsibilities, and the work environment. In 2021, we had 165 entries, with 89 ideas selected and 50 recognized as the best ideas. The program takes place annually and rewards implemented ideas. The ideas had a potential financial gain of R\$ 30 million/month and R\$ 600 million of accumulated estimated gain. In addition to financial gain, we also recognize gains related to quality, experience, efficiency and sustainability. [GRI 102-43](#)

DIA AZUL (AZUL DAY): is our program that recognizes Crewmembers who are role models of our Culture and Values. Nominated Crewmembers are invited to have breakfast with our CEO and Vice Presidents at our headquarters (Azulville). Annually, we define the audiences that will be recognized together with our leaders and monthly we receive from 10 to 14 Crewmembers per location. In 2021, we received 130 nominations and had 10 editions of the event, recognizing Crewmembers from more than 10 cities in Brazil.

INTERNAL GROWTH: Azul is a company of opportunities, and we want Crewmembers to know this and grow with us. Therefore, another way to recognize a job well done is to promote our Crewmembers whenever possible for their effort, dedication, and engagement, in accordance with our strategy. In 2021, our team received more than 1,423 promotions, which represents 39% of the job positions offered.

“YOU ARE A 10”: all Crewmembers who have completed 10 years in our company receive a call from leadership and a customized model airplane with a personalized name they can choose. In 2021, a total of 1,199 customized models were delivered to Crewmembers' homes.

RECOGNITION OF RETIREES: retired Crewmembers also receive messages of recognition for their history and dedication to Azul. They earn their last ID tag which is written "Forever an Azul Crewmember", with a warmhearted message signed by our President. In 2021, a total of 80 professionals were recognized in 20 locations.

Attracting new Crewmembers: Employer Branding

GRI 102-43

We want future Azul professionals to see us as one of the best career options in the market along with the best job of their lives. Reinforcing this vision through several actions, we strengthened our Employer Branding strategy focusing on universities and institutions in Brazil and abroad.

In 2021, we impacted more than 4,000 people further involving more than 40 managers at Azul, a total of 15 Employer Branding initiatives that included lectures, mentorships and career fairs. See some of them below:

Partnerships with Junior Companies and participation in talent fairs: Azul and its executives participated in workshops, lectures, and meetings promoted by Junior Companies in 2021 such as BRASA, Fundação Estudar, FIAP, Insper and others.

Talent exchange: ten students from the Embry-Riddle Aeronautical University, USA, participated in a nine-week online internship program with five different areas of Azul: Customer Experience, Human Factors, Operational Intelligence, Inventory Distribution and Maintenance Strategy. During this period, the students worked on projects that seek solutions to improve these areas.

Undergraduate Thesis: we helped undergraduate students from the School of Engineering of the Federal University of São João Del Rey, in Minas Gerais, develop their theses, bringing a new vision to our processes. The theses include topics such as the expansion of tire workshops, implementation of production planning and control stations, creation of analytical service modeling and distribution of labor.

Mentorship for undergraduate students: Azul Crewmembers accompanied 29 university students from the Aircraft Maintenance Technology course at the Faculdade de Tecnologia de São Paulo (FATEC - São Paulo Technological College). Six managers from Azul presented their areas and asked questions about matters such as support equipment in the soil, maintenance program, component inventory, maintenance planning and warranty quality. Each manager spent about two hours with a group of five students.

With a focus on developing new talent, we also have other programs in place that contribute to training young professionals.



Trainee Program

GRI 103-1, 103-2, 103-3: 404 Training and Education, 404-2

The year 2021 marked the graduation of seven young people from the first class of our Trainee Program, which was launched in 2020. Through a development track and projects submitted every week to the Executive Committee, the trainees have their careers accelerated and develop the skills to assume future leadership positions at Azul. Currently, six of them are working with us and more than half of the group assumed leadership positions such as coordinators, even before the end of the program.

The second class, which started in January 2022, had 25 thousand applicants from the North, Northeast, and Southeast regions. Of this total, 13 were selected (54% women and 46% men) and they will be participating in the program until December 2023.

The Trainee Program has a development track based on five pillars:

1. Hands-on:

strategic projects in their fields of work, with an interface with other business units. The results indicators for these projects are presented to the Executive Committee.

2. Workshops:

training in business management and soft skills led by Azul's Crewmembers and external consultants.

3. Meet-ups:

meetings with the Vice Presidency and the Executive Board to discuss Azul's strategy and the global aviation market.

4. Mentorship:

opportunity to share experiences, guidance, and conversations about career and professional development.

5. Feedback and Development Plan:

meeting with the area director to align expectations, review results, and prepare an Individual Development Plan.



Internship Program

The purpose of our Internship Program is to contribute to social development and diversity and to strengthen the Azul brand among undergraduate students. In January, we opened the 2021 edition of the program with 27,272 applicants.

Through an inclusive selection process based on our competencies and values, 40 applicants were accepted (62% women and 38% men) aged between 18 and 30, who will be with us between June 2021 and May 2023. A new group is planned for 2022. In 2021, we had four hires from the program.

The interns are supervised by their managers and by the Human and Organizational Development team; they receive training through a development track that involves knowledge about Azul's strategic areas and those that impact the Customer Experience; They also participate in workshops on technical and behavioral skills. The program is based on the career plan and retention of these young talents in Azul, developing professionals for our long-term succession plan.

Technical Internship Program

In 2021, we opened 10 positions for technical interns in our hangar in Campinas (SP) as part of the Technical Internship Program to cater to the growth of our hangars and the arrival of new aircraft. We offer 10 positions for 12-month internships in the hangar in Campinas (SP) with our aim of training young people to assume as Aircraft Maintenance trainees at the end of the course.

The Technical Internship course involves mandatory training at UniAzul, technical training given by hangar leaders, soft skills training, knowledge about Azul's business and job rotation.

Opportunity Workshop

GRI 103-1, 103-2, 103-3: 203 Indirect Economic Impacts

This program offers scholarships for courses in Aircraft Mechanics and Maintenance at EDAPA Aviation School, in partnership with the City of Campinas (SP). The course lasts 3.5 years and consists of 12 scholarships, divided between 8 men and 4 women. The students are assisted by Azul's Social Responsibility and Human and Organizational Development team.

This initiative supports the social development of young people in vulnerable situations in the region of Campinas, providing them with opportunities for technical training and professional qualification.

Young Apprentice Program

GRI 103-1, 103-2, 103-3: 203 Indirect Economic Impacts

The purpose of this program is to contribute to the education of young people and to the social development of the regions where we operate. In 2021, we hired 195 young apprentices, who received training through our Apprenticeship Program, which promotes monthly meetings at a certified institution with content about digital inclusion, professional development, administrative routines, and areas such as marketing, finance, and logistics. Azul hired 15 young people to work at Viracopos airport, in Campinas (SP), in addition to six approved for mentorship in 2021.



Taking care of our people

GRI 403-6

Taking care of our Crewmembers is our priority. Having people who are satisfied and passionate about their work at Azul is what sets us apart and makes us stronger in the market.

Operations during the COVID-19 pandemic

In 2021, we resumed our in-person activities and flights, consistently following all health and safety protocols required by each location.

During this year, 12,073 Crewmembers were vaccinated with at least two doses. From the beginning of the pandemic up until the release of this report, the Health and Welfare teams monitored suspected and confirmed cases of covid-19. 7,162 Crewmembers were contacted of which 4,112 were positive cases. In addition to being monitored by the health team, leadership contacted them in a follow-up. In 2021, we recorded 2,770 suspected cases and 1,326 confirmed cases, with 8 deaths. In 2020, we had 1,286 suspected cases and 659 confirmed cases, in addition to 3 deaths. We continue to control and monitor the severity of each case, with weekly reports to our Vice-President and Executive Committee.

Saúde Integral (Total Health program)

Our Saúde Integral (Total Health) program exists to promote a healthy team where preventive and/or follow-up medical care is provided. Massage therapy is carried out at our base, in addition to periodic awareness actions, in which important information about the health care of our Crewmembers is disclosed. We promote in-person and remote access to health services for our Crewmembers, providing them with a telemedicine team for remote monitoring whenever necessary. In addition to continued in-person service through our healthcare operators.

Some initiatives that are part of our Integral Health program:



VIDA PLENA: We offer follow-ups to chronic patients through early intervention involving chronic disease, with proactive actions by the multidisciplinary health team, following specific monitoring protocols, helping to reduce complications of monitored diseases. We encourage a change in habits through health education methods, coordinating appropriate changes to each person's lifestyle in terms of self-care. Any Active Health Plan member and their dependents above 18 years old who are at risk for chronic respiratory diseases, diabetes, brain or cardiovascular diseases and obesity can participate. We followed up on 738 people in 2021.



INTEGRALMENTE (ANTI-SMOKING): Specialized monitoring for those who want to quit smoking. It lasts 12 weeks, consultations by videoconference were held with psychologists and an interface with a multidisciplinary team. Surveys explaining the behavioral approach model and anamnesis. Crewmembers and active dependents in our health plan above 14 years old, who are smokers, can also participate. In 2021, 19 people were followed up on.



CUIDAR (ONCOLOGY): We offer personalized care for those who have a diagnosis of neoplasia, whether or not they are undergoing treatment for benign neoplasia, or malignant neoplasia with or without metastasis. This service is personalized, with integrated health and social support interventions, intending to stabilize or compensate for acute symptoms, and rehabilitation put towards the improvement of functionality, aiming at family and social readaptation and reintegration. In 2021, 46 people were served.

NUTRIAZUL

NUTRIAZUL: In partnership with Healthbit, we offer nutritional monitoring to our Crewmembers with the goal of preventing diseases and encouraging a quality healthy lifestyle. A nutritionist performs preventive clinical monitoring of chronic diseases potentiated by overweight, obesity, diabetes, hypertension and/or increased cardiovascular risk. It promotes good eating habits, behavior changes and a healthy lifestyle. In addition to clinical care, we also have other preventive actions in parallel, such as lectures for flight attendants through the Voando com Saúde program, and monitoring of pregnant women through Cegonha Azul. In 2021, 1,646 people were served.



TOTALPASS

ACADEMIA AZUL (GYM PASS): Our partnerships remained active and encouraged the regular practice of sports. We ended 2021 with 6,951 Crewmembers and dependents using Gympass and 1,989 using Totalpass. Both benefits allow users to choose the physical activity in gyms registered in our partnership program, giving them freedom and autonomy.

AZUL SPORTS: Sporting events were held intending to unite Crewmembers and collect donations for Associação Voar. In 2021, the Pink October Race took place in October with 215 subscriptions. The Pedalada event took place in November, with 53 subscriptions.



CEGONHA AZUL (AZUL STORK): We are a company that takes care of people. For this reason, in 2016 we created Cegonha Azul, a program for pregnant Crewmembers that monitors and assists in prenatal care, childbirth and postpartum so that mother and baby develop a peaceful and well-oriented connection. We offer a 180-day maternity leave for mothers and 20 days for fathers, along with a childcare allowance. In 2021, we also expanded the scope of the program to the spouses of our Crewmembers, in addition to 270 people navigating our web portal.

SAÚDE EMOCIONAL (EMOTIONAL CARE): This program is composed of two psychiatrists and two psychologists, who welcome our Crewmembers, directing them to our program's benefits and accompanying those who have any issues related to emotional health. In 2021, 281 people were assisted, receiving care for risk situations, emotional illnesses and use of medication. They arrived at the program either spontaneously, referred by Azul's medical team, safety team or directed by the operation area. 63 people underwent psychological care and began therapy after an evaluation, they were forwarded to the Crewmember's trusted doctor.



PSICOLOGIA VIVA: It is a platform for online psychotherapy for our Crewmembers and their dependents (parents, children, and spouses). The first doctor's appointment is free and the later ones have an affordable price. In 2021, 200 people were served.



ANJO AZUL: The Anjo Azul is a support program for all Crewmembers, providing psychological assistance, social services, legal advice and financial advice. Launched in August 2021, the program aims to assist, guide and refer Crewmembers and their dependents on topics related to social, psychological, financial and legal issues, focusing on the quality of life, ethics, respect, and diversity. With a 24 hours/day service, 7 days a week, it guarantees the confidentiality of information and extends to parents, children or spouses. In 2021, 146 people were served.



OUTUBRO ROSA (PINK OCTOBER): In October and November, we reinforce the importance of self-care and prevention, especially in relation to breast cancer. We encourage our Crewmembers to undergo ultrasound and mammogram exams. In 2021, this action was extended to the spouses of our professionals, raising awareness of self-care and participation in the Pink October Journey (eligibility: over 40 years old). We had 131 adhesions.

Safety of our people

GRI 103-1, 103-2, 103-3: 403 Occupational Health and Safety, 403-1, 403-8

People who are passionate about what they do need to be safe in their work environment to develop to their fullest potential. Therefore, the safety of our Crew is a priority!

In order to take care of our greatest asset - our Crewmembers - we provide supplementary well-being and safety programs in addition to the ones required by law.

Our processes are defined following Regulatory Standards (NR) and all the projects developed seek to eliminate the risks existing in our operations. All our Crewmembers are covered by the occupational health program.

In addition, we follow the global guidelines of the World Health Organization (WHO) in fighting the COVID-19 pandemic. We also have an Internal Commission for Accident Prevention (CIPA), whose responsibilities are defined by Regulatory Standard NR 05.

Our Crewmembers are periodically examined, and we monitor specific cases to identify and eliminate hazards and minimize risks. Our positive indicators from the occupational and absenteeism service show the efficiency of this operating model. In 2021, 6,644 periodic exams were carried out (67% of the total of 9,923 scheduled for the period). [GRI 403-3](#)



To ensure that everyone has access to relevant and quality information about health and safety, we talk about these topics on our communication channels through programs such as safety dialogues, Internal Commission for Accident Prevention (CIPA) events, Internal Week of Accidents at Work Prevention (SIPAT), email, intranet, Instagram, Telegram, WhatsApp, and internal TVs. We also have a health committee in place that meets with senior management on a quarterly basis to discuss our performance in these areas. [GRI 403-4](#)

Additionally, we perform training and awareness-raising activities related to occupational health and safety, which can be accessed either through Distance Learning (DL) or in person. In 2021, in a communication and training process in an online learning format for identifying hazards, risks, and difficulties, we developed the Aviation Quality Database (AQD) system. This system provides support to our Operational Safety Reporting Program, available to all Azul's Crewmembers, which can also be used by our service providers. [GRI 403-5](#)

Through the forms available at AQD, our Crewmember provides information that contributes to risk management and the continuous improvement of our quality and safety. In 2021, many Crewmembers took the initiative in identifying and reporting situations that impacted our safety or with some potential risk, totaling more than 8,900 reports.

In addition, it is through the AQD database that all management and monitoring of procedures related to the quality and safety of our operations take place, inspections, investigations, audits and risk analysis. [GRI 403-2, 403-7](#)

Careful follow-up

GRI 403-9

Work-related incidents are investigated in accordance with our internal procedures. The Specialized Service in Safety Engineering and Occupational Medicine (SESMT), a group formed by engineers, safety and nursing technicians, social workers, nurses, nutritionists, aerospace doctors, and psychiatrists (both Azul's professionals and third parties) organize awareness and investigation campaigns to strengthen our risk prevention and mitigation. All their information and activities are available on the Azul intranet.

One of the 2021 campaigns was the Abril Verde which promotes health in the workplace. It was created with the motive of raising the awareness of Azul Crewmembers on how to make our work environment increasingly healthy and safe. During April communications and accident prevention tips, whether in operational or administrative tasks were performed.

Regarding health risks, as per NR 09, noise is our main occupational risk. We work towards minimizing this type of risk by providing Personal Protection Equipment (PPE) and by renewing and transforming our fleet, seeking to continuously reduce noise in our operations.

Regarding the evolution of numbers, it is correct to say that history shows lower results. For the year 2021, we invested in communication as well as reports and notification of accident occurrences at work, to reinforce compliance with the procedures and legal obligations related to the communication process of these criteria. In addition, we implemented the Occurrence eReport tool (via AQD), making this process easier and bringing more transparency to it. As a complement, another factor that contributed to the change in the indicator is the change of the formula for calculating hours worked, whose value was reduced compared to the previous year. This data directly impacts the order of magnitude of the index.

WORK-RELATED INJURIES – AZUL'S CREWMEMBERS

GRI 403-9

	2020	2021
Number of fatalities as a result of work-related injuries	0	0
Rate of fatalities as a result of work-related injuries	0	0
Number of high-consequence work-related injuries (excluding fatalities)	7	25
Rate of high-consequence work-related injuries (excluding fatalities)	0.29	1.20
Number of work-related injuries*	40	125
Rate of work-related injuries (frequency rate) - LTIFR	1.69	5.99

Note: Rates were calculated based on 1,000,000 hours worked. Interns, third parties, and young apprentices were not included.

** The increase in the number of work-related accidents, both high consequence or not, occurs because, before the eReport's Preventive and Occurrence, it is thought that there was underreporting of occurrences.*

CUSTOMERS

Brand recognition

GRI 102-43, 103-1, 103-2, 103-3 Own Topic: Customer Experience

It is our Mission to make our Clients experience the best flight of their lives. We work to ensure the best experience for our Customers, which is why their satisfaction is so important to us. And, in seeing this satisfaction, we are sure that we are able to fulfill our purpose.

We use the Net Promoter Score (NPS) methodology to measure our Customers' loyalty and satisfaction at each point of interest during their experience with Azul. This is how we understand the points where we need to evolve and we realize where we are doing our best and being recognized for it. We are always paying close attention to trends and survey numbers, also monitoring Customer responses. In 2021, we reached a score of 54,4 points compared with 53.5 points in 2020.

In addition, Customers have the opportunity to respond to the Customer service satisfaction survey each time they call. This allows us to constantly measure the resolution and satisfaction of our contact with the services we provide.

69% strongly recommended Azul in 2021, and 68% in 2020.





Azul Experience

GRI 103-1, 103-2, 103-3 Own Topic: Innovation and Technological Updating; Own Topic: Customer Experience

We want to offer our Customers the best flight experience of their lives, in order to gain their trust and preferences. We use **OPA: Observe, Perceive, and Attend** to provide this experience. This way we can keep a close eye on each Customer, watching over their journey and making sure they are taken care of the way they deserve, with personalized service.

One of our commitments is on-time performance. In 2021, 91% of our flights departed on time or within on-time limits. Also, our codeshare agreements with other airlines make it possible for our passengers to connect to more than 450 destinations worldwide, in addition to the approximately 147 destinations served by Azul.

In order to keep improving the experience of those who fly with us, is our use of innovative technologies. We are open to doing better every day, always thinking of ways to serve our Customers with excellence from the first contact, whether in the purchase of tickets, check-in, dispatch, disembarkation until the moment they pick up their luggage and leave the airport, following the five steps of the Customer Journey (see next page).

Our multidisciplinary technology team is dedicated to Continuous Improvement Projects and Transformational Projects, which develop solutions to serve our Clients with effectiveness and enchantment.

Azul Wi-fi

In June, as part of our commitment to providing the best in-flight experience for our Customers, we launched Azul Wi-Fi, a free internet network with 30 Mbps speed and quality connection, available on 36 aircraft (9 E2 and 27 airbuses) with an expectation of reaching 44 by the end of 2022. The system is installed in the maintenance center in Campinas (SP). Learn more in the [Our concern for the environment](#) section.

Azul Cargo Express Website

To keep up with the growth of its business, Azul Cargo Express will have a new website in 2021 that will serve the Business to Business (B2B) and Business to Consumer (B2C) audiences, with tools and features such as package tracking and a self-service integration model. Services such as registration, credit approval, and contract signing were automated and are now done through digital signatures. A process that used to take three weeks is now completed in two days, providing the best logistics experience for people and companies of different sizes and industries.

Customer Journey

We want our Customers to live the entire experience of flying with Azul, and this journey begins even before the moment they enter an aircraft. We want to captivate them at every stage, surprising them in every detail.

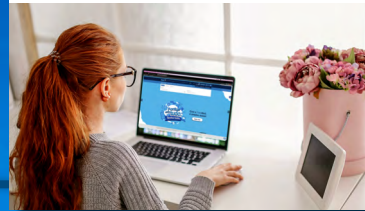
See below the five steps of the Customer journey:



Pre-trip

The decision-making process until the purchase

- Research process
- Purchase
- Booking management



Pre-flight

The journey inside the airport to departure

- Check-in and baggage drop-off
- Boarding



Inflight

Everything that happens inside the plane

- Clients' relationship with commissioners
- Cleaning on board
- Hand luggage accommodation



Post-flight

Landing at destination

- Disembarkation procedure
- Connections
- Baggage claim



Post-trip

The repercussions of the trip

- Loyalty program scores
- Contingency arrangements



NPS 54

One of the highest Customer satisfaction indices in the world

Culture focused on Customer service

Robust and sustainable business model





New Azul website taking off

Finding what you need on our website and easily navigating it, intuitively, is also part of our Customer experience. For this reason, our website evolved in 2021 and should have a new layout in 2022. In this new version, the Customer journey will be migrated and the experience will be unified across all our business areas — TudoAzul, Azul Viagens, Voe Azul, and Azul Cargo.



Pets in the cabin

With the market rebounding in 2021, we came up with new additions to better serve families who travel with us with their pets. In August 2021, we began offering the Pet in the Cabin service for those who travel to Lisbon (Portugal) with their pets.

Our Customers can now take their pets on board in the aircraft cabin right next to them. They must follow a few rules, such as having the pet's documentation up to date.

Customer Committee

This committee is a group that meets every week to address issues regarding Customer experience. The goal is to understand our Customer's demands, giving them our attention.

Besides addressing our operational challenges and looking for ways to solve them, we seek new opportunities during possible contingencies. In 2021, we had a department that was fully dedicated to the Customer experience, which utilized the Agile methodology to quickly identify and solve issues in a customized, complete, and effective manner.

Digital counters

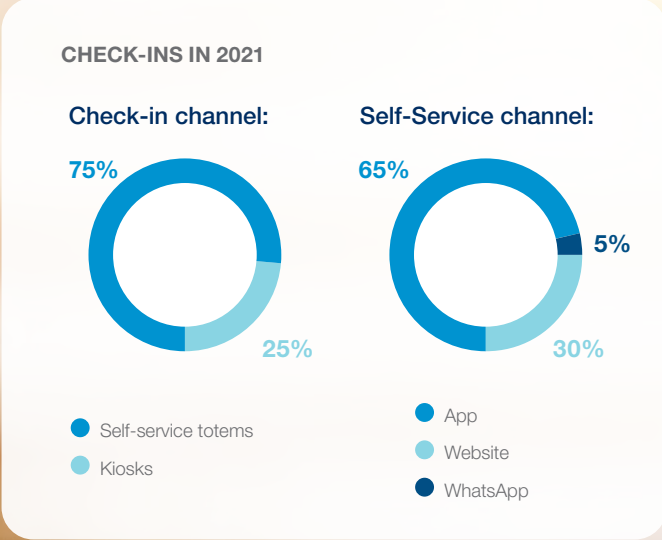
In our self-check-in system, which was first implemented in the Viracopos airport, totems were replaced with tablets that allow Customers to check in luggage more quickly and autonomously. Passengers connect their smartphone to the tablet and complete the whole process.

Automatic check-in via WhatsApp

To provide Customers with even faster, agile, and practical service during the peak season, Azul launched an automatic check-in service via WhatsApp at the end of 2021. The service identifies the Customers who have NOT checked in up to four hours before the flight as well as completed their data. Then, it makes the reservation of their seat and sends the boarding pass by WhatsApp. If there is no luggage, Customers can go directly to the boarding gate. If they bought the ticket through the website or app, they can just go to the digital counter, check their bags and head to the gate, bringing more speed and autonomy to the pre-flight experience.



In 2021, with the arrival of the automatic check-in, **65%** of check-ins were via digital channels: app, website, digital counters, and kiosks - an increase from the **57%** rate of 2020.





Airports with the Tapete Azul – Belém, Congonhas, Cuiabá, Curitiba, Florianópolis, Goiânia, Manaus, Recife, Santos Dumont, Viracopos and Vitória.

Tapete Azul (Azul's Carpet)

A colorful and mobile virtual carpet, produced by a series of projectors and monitors, indicates the right time to board for passengers and invites them to stand in line according to their seat number. This is our Tapete Azul (Blue Carpet), intended to avoid lines and crowds at boarding time, making it quicker and safer for our passengers.

NUMBER OF AIRPORTS THAT HAVE THE TAPETE AZUL

2020	1
2021	11

TV in flights

Azul was the first airline in Latin America to offer live TV on most of its fleet, with the exception of a few aircraft. Our Customers can watch the best of Sky TV on more than 40 live channels and up to 9 channels with recorded programming. Live content is displayed according to the system's operational availability.

Free snacks

Flying with Azul is better! There are five options for sweet snacks, four options for savory snacks and six options for unlimited drinks for Customers in our aircraft. The snack basket varies according to the flight duration and departure time, and can also offer coffee. In 2021, the in-flight service was suspended by Anvisa's determination, returning in early 2022.



Track My Bag

This tool in the Azul App was developed in 2021 and is in the testing stage. Through it, Customers can track their baggage during check-in, boarding, and deplaning. The system also eliminates the need for manual baggage control, as everything is done digitally.

Azul Systems Integration (ISA - Integração de Sistemas Azul)

Integrating different systems made it easier for the teams involved in the operation to exchange information, such as check-ins, in-flight service, dispatch, and boarding. ISA Disruption, ISA Pax and ISA Baggage are part of the system.

ISA – DISRUPTION: shows the flight network in real-time, generating crucial information for the day-to-day operation of airports, such as service gate, arrival times, aircraft prefix, and others. It also has an integrated chat for each flight, in which Crewmembers can interact by requesting and disclosing information relevant to the flight operation, such as the need for special assistance, schedule of actions, relevant points, etc.

ISA – PAX: a mobile tool for airport agents that make it possible to perform a versatile service in various cases within airports. The tool can perform a check-in, boarding, bag drop, seat change, issuance of new bags, additions of restrictions and comments. It has shared functionality with ISA Disruption, such as air network visualization.

ISA – BAGGAGE: a tool for Crewmembers who work in the control of the lane in the dispatch of luggage, it allows the reading of luggage through control points at airports, tracking the luggage in real-time. It can also track luggage via the Customer's locator.

Céu, our virtual assistant

One of the great innovations in 2021 was the expansion of the services provided by Céu, our cognitive chatbot that uses artificial intelligence to serve our Customers. In 2020, it was only available through webchat and, as of 2021, it began to provide services via WhatsApp as well.

With Céu, Customers can get information about points in the loyalty program, luggage, flight status, cancellations, and even options to change flights. Before it was implemented, 100% of these services were provided by Crewmembers. After its operations were expanded, 65% of this support is provided online, streamlining the Customer's journey and helping to retain them.

Our Marketing Campaigns

In May 2021, Azul launched the *Veja o Horizonte* (See the Horizon) advertising campaign, celebrating an optimistic vision of the future as well as showing Customers the importance of reconnecting with places and people, always with care and safety.

For one month, advertisements were aired on the radio and placed in magazines and other print and digital media, inviting our Customers and Crewmembers to look to the future with hope and highlighting Azul's concern and care for everyone's health and safety.



GOING ABOVE AND BEYOND



In this section, you will find our initiatives related to:

INTEGRATED REPORTING:
Social and Relationship Capital

SDGs:



PRINCIPLES OF THE GLOBAL COMPACT:

- 1. Businesses should support and respect the protection of internationally proclaimed human rights;
- 2. Make sure that they are not complicit in human rights abuses;
- 6. Eliminate discrimination in respect of employment and occupation.

MATERIAL TOPICS:





CONNECTING BRAZIL GRI 103-1: 203 Indirect Economic Impacts

Aviation drives local and regional development while connecting cities and regions to major economic centers in Brazil and abroad.

Out of 147 destinations we operated in 2021, 142 (97%) of those were regional and 80% of those only we flew. This connectivity is essential for the population from more isolated regions to access all of Brazil. It also benefits tourism, which generates jobs, income and social development.

Every day, we take our flights to different dreams and realities. Customers fly to meet family, friends, or work. We transport technicians, engineers, executives, doctors, nurses and many others responsible for health and income generation in all regions of Brazil.

Azul plays an important role in this scenario because of Conecta's regional operations. We believe that our business

and our network can help us make a big impact on social transformation and environmental preservation. Thus, supporting residents of remote areas, collaborating with Brazilian entrepreneurship, taking national initiatives and products, such as sustainable fishing, wind energy and cocoa from Altamira (PA) to the world.

We make dreams fly!

SOCIAL COMMITMENT

GRI 103-1, 103-2, 103-3: 413 Local communities,
103-1: 203 Indirect economic impacts

Operating in a socially responsible manner is in line with the essence of Azul, a company formed by people whose vocation is to serve others. We know that we can make a difference in the communities where we operate throughout the country.

By supporting social projects in partnership with civil society organizations, transporting and connecting people, and transforming stories, we support communities with a commitment to social issues and a way to thank and give back to society.

We support a number of initiatives and projects that promote social inclusion as a means to fight poverty. This support reinforces our commitment to creating shared value with society, always valuing the sustainable development of the audiences we serve.

The guidelines for this work are provided in our [Social Responsibility Policy](#), consolidated in 2021, which addresses our various social action fronts.





CONEXÃO AZUL ROSA (AZUL'S PINK CONNECTION)

GRI 203-1

Since 2010, we have embraced the fight against breast cancer as our main social cause. Throughout the year, we carry out awareness campaigns for Crewmembers and Customers, disseminating information on treatment, prevention and identification of the disease. These actions are intensified during Pink October, the month of awareness about the early diagnosis of breast cancer.

In 2021, Conexão Azul Rosa, in partnership with Hospital de Amor, carried out 44 round trips for the treatment of women with breast cancer (33 women and 10 companions).

Since 2017, 221 trips by women and their companions have been carried out by the Conexão Azul Rosa for any stage of treatment.

We are also Partners with Associação Brasileira de Mastologia, an entity with nearly 2,000 members that participate in public policies and develop actions to reduce the mortality of women with breast cancer, providing education and encouraging screening for the disease. This is the society that has developed the technical content used in our Pink October since 2019.

IN 2021:

113 flights
received testimonies of the winners of Azul on board

+1 million
reach on social media

+1 million
people impacted with stories and social media posts

+14 thousand
Customers impacted with testimonials

+4.8 million
TudoAzul points donated to Hospital de Amor

+3.1 million
press reach

Those who take care of themselves fly further

15 bases
visited for Speech on board



HUMANITARIAN AID GRI 203-1

Azul's traditional humanitarian flights continue to take place, as they always do when our help is needed. In 2021, we joined the Federal Government's Pátria Voluntária (Volunteer Nation) program, with many of our flights carrying donations to needy regions of the country as well as 165 doctors to different locations.

More than 1,100 items were donated, including personal hygiene products, water, clothing, and shoes to the population of Teixeira de Freitas (BA), which was affected by floods after the collapse of a dam in December 2021. Azul Cargo took 20 Elmo helmets (breathing equipment developed by researchers from Ceará) from Fortaleza (CE) to Uberlândia (MG).

In 2018, we started to transport refugees to Operação Acolhida, a humanitarian mission of the Armed Forces in response to the migratory flow of Venezuelans arriving in Brazil. We have already transported more than 18,000 refugees.



1,666
Collaborators

1,452
Recurring
Collaborators

**Data from May/2022*



165
humanitarian
flights

611 organs and
2,442 tissues
transported to
different locations
in Brazil

OUR GOAL

Expand the transport of organs for transplantation to medical centers in the same proportion as Azul's network grows.

ASSOCIAÇÃO VOAR GRI 203-2

Associação Voar, a non-profit institution created by Azul executives, was created with the purpose of helping people achieve their professional dreams and change their lives, allowing them the opportunity to study and qualify to work in the aviation sector. Careers include pilots, flight attendants and aircraft mechanics.

We believe in the importance of creating opportunities by investing in people training. In doing so, we can help transform their path, thus contributing to society in a broader way while strengthening the commercial aviation market, with more qualified professionals working in the area.

With a combination of private investments and partnerships with aviation schools, the Association offers scholarships to those who

do not have the socioeconomic conditions to invest in training, further promoting commercial aviation in Brazil. It is maintained by Crewmembers with the support of the Association, and by professionals in the sector, operating independently with the Azul structure.

In 2021, we had the graduation of six flight attendants and a pilot from the first class of Associação Voar. In addition to them, another five mechanics and five drivers will be ready for the job market soon, after graduating. These first 17 scholarships were selected from more than 1,100 applicants attending training courses lasting between 4 months and 3.5 years, depending on the profession.

➔ [To access the website of Associação Voar, click here.](#)

VOLUNTEERING PROGRAM

GRI 103-1, 103-2, 103-3: 413 Local communities, GRI 413-1

With the return to social activities in 2021, our Volunteering Program reached 2,754 registered volunteers throughout Brazil, which accounts for 20% of Azul's Crewmembers.

The Volunteering Program organizes, promotes, encourages, and recognizes social actions developed by our Crewmembers, strengthening the spirit of serving. Through its initiatives, we generate a positive impact in the regions where we operate, transforming the social reality of these locations and connecting people.

All program actions are focused on the development of local communities. Any Crewmember can participate, and family, friends and Partners can also contribute. Registration on the volunteer portal is intended for Crewmembers only.

The [volunteer portal](#) works as a social network for the program. Through it, volunteers can interact with each other, read about the program's news, participate in actions promoted by Azul, Partners or other volunteers, in addition to publishing photos, testimonials and results of the actions.



ACTIVE VOLUNTEERS

2020
1,928 – 17.4% of the total Crewmembers

2021
2,754 – 22.1% of the total Crewmembers

Increase of about 43% compared to the previous year.



BENEFICIARIES

2020
9,182

2021
12,278

Growth of 33.7% in 2021.

NUMBER OF ACTIONS TAKEN

2020
155

2021
351

Growth of 126.5% in 2021.

HOURS OF VOLUNTEER DEDICATION

2020
2,306

2021
15,455

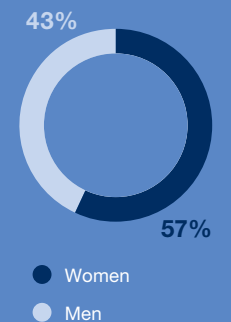
Growth of 570.2% in 2021.



OUR GOAL

The growth of volunteering allowed us to reach, three years in advance, the goal of reaching 20% of our Crewmembers enrolled in the program by 2025.

2021 AZUL'S VOLUNTEER PROFILE BY GENDER





Mentoring for vulnerable youth and people with disabilities

One of the highlights of the Volunteering Program is the **Via Conexão**, online mentoring project, a partnership with the FEAC Foundation of Campinas (SP) and Ponto Social, the executing Partner of the project that aims to connect professionals from different areas with young people in situations of social vulnerability and people with disabilities for mentoring sessions.

The Crewmember is invited to voluntarily mentor a young person and support their professional development. The mentor is someone already working in the job market, this mentor will create a path of interest and develop new skills, preparing them for their professional future (insertion in the job market).

GRI 103-2: 405 Diversity and equal opportunity

IN 2021:

37
volunteer mentors

45
young people served

Partner institutions: Casa da Criança Parálitica, Cidade dos Meninos, Guardinha, M.A.E Maria Rosa, Núcleo de Ação Social de Campinas (NAS), Sorri Campinas.

Voando Alto (Flying High) Project

The project began in August 2021. In partnership with Hospital de Amor, in Barretos (SP). In Phase 1 of the project, our pilots voluntarily carried out video calls with children and young people undergoing cancer treatment, seeking to awaken dreams, work on their imagination and share their flying experiences. With 30 participating pilots, it benefited 32 children.



Other volunteer actions

NATAL FELIZ AZUL (MERRY CHRISTMAS AZUL): 300 children and young people sponsored with Christmas gift baskets.

FOOD COLLECTION: 8 tons of food were collected and 3,400 people benefited in April and May 2021.

WINTER CLOTHING DRIVE: 7,000 items were collected (blankets, sweaters, shoes, household linens) and 2,000 people benefited in July 2021.



Azul launched a satisfaction survey for volunteers to learn what their experience with the Volunteering Program was like in 2021, and thus improve its performance. We received a response from 235 Crewmembers from 47 stations:

9.7 was the evaluation score for the participation of Social Partner Missions

9.3 was the evaluation grade of the Azul Volunteer Program

OTHER SOCIAL FRONTS

GRI 103-2: 203 Indirect economic impacts; 413 Local communities

All the initiatives we support have, in their essence, the idea of strengthening the spirit of serving and caring for people. Our contribution to social initiatives is through donating airline tickets and/or associated cargo transportation, and through tax incentive funds. In addition, all Azul Volunteers have the opportunity to participate in the social Partners' missions and contribute to the social transformation of the country.

Missions supported by Azul:



TETO BRASIL: an organization involved in the construction and painting of emergency housing for vulnerable families and in projects for building community spaces. We donate airline tickets to people who are going to perform these activities in several cities in Brazil, and our volunteers participate in these initiatives. In 2021, 7 missions were carried out, with the participation of 35 volunteers.



OPERATION SMILE: a project dedicated to helping children who suffer from cleft lip and palate, a malformation of the lips that can lead to malnutrition; respiratory, speech, and hearing disorders; and dental anomalies. We support the operation's missions, with groups of volunteers consisting of doctors, dentists, and nurses getting together in a given city to perform surgeries for one week. We transport the teams, and Azul Cargo takes the necessary material. In 2021, 2 missions were carried out, one in Santarém (PA) and one in Porto Velho (RO), with the participation of 5 volunteers.



LITRO DE LUZ: this NGO takes light to off-the-grid communities through environmentally sustainable technology using plastic bottles, solar panels, and LED lamps. Our support is provided in the form of airline tickets, making it possible to carry out missions in several regions of Brazil.



TAPERA DAS ARTES: the focus of their work is on socially vulnerable children and adolescents in the Aquiraz (CE) region, with an emphasis on cultural education and children's education in public schools. We provide resources for the purchase of airline tickets for the project's guests.



JOBS FOR YOUNG PEOPLE: in 2021, we established a partnership with UNICEF (a UN children's fund) in a project called One Million Opportunities. The goal is to create, in two years, one million jobs and development opportunities for socially vulnerable young people between 14 and 24 years of age. Azul will help these young people with opportunities in the job market, digital inclusion, education, fundraising campaigns, and humanitarian aid actions in cases of natural disasters.

In 2021, we provided more than R\$360 thousand in tickets and cargo transportation for our Partners to carry out their missions in different regions of the country. With this resource and the support of Partners and volunteers, we hope that communities will be able to develop more and more. Our performance in these initiatives are aligned with the global agenda of the Sustainable Development Goals (SDG) through infrastructure development and support for economic development. GRI 203-1, 203-2

WHAT COMES NEXT

In 2022, we are working on innovative initiatives to continue to be the best airline in the world and for the world.

CARBON OFFSET PROGRAM FOR CUSTOMERS

GRI 103-2: 305 Emissions

A program in which our Customers will have the opportunity to voluntarily offset their share of the emissions from Azul flights. On each flight, Customers will be able to choose to buy the carbon credits emitted by the seat and this amount will be used in carbon offset projects. This operation will be carried out by a Partner that acquires credits from pre-approved projects with international seals and certification, such as REDD+ and linked to CI Foundation, chosen by Azul, and whose function is to capture CO₂ emissions. These are projects linked to renewable energy, reforestation and socio-economic environmental projects in the Brazilian Amazon region.

APPROVAL OF THE SUPPLY CHAIN IN ESG ASPECTS

GRI 103-2 Own Topic: Relationship with Partners

We will map and approve our Partners with consideration to ESG aspects. Our objective is to apply a survey with compliance, environmental and social issues to the companies in our supply chain, with the possibility of customization, depending on the case. This way, we will ensure that we have Partners committed to ethics, the environment and society as we are on our side.

EXPECTATIONS:

We have a future expectation of having 4% to 12% of Customers joining the program, or 128 thousand people



TO LEARN MORE

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	Disclosure Item GRI Standards	Page and/or content	Reason for Omission
Organizational profile			
	102-1 Name of the organization	<u>3</u>	
	102-2 Activities, brands, products and services	<u>13</u>	
	102-3 Headquarters location	Barueri - SP	
	102-4 Location of operations	<u>13</u>	
	102-5 Type and legal nature of the property	<u>40</u>	
	102-6 Markets served	<u>11; 13; 16</u>	
General Content 2016	102-7 Size of the organization	<u>16</u>	
	102-8 Information about employees and other workers	<u>79-80</u>	
	102-9 Supply chain	<u>42</u>	
	102-10 Significant changes to the organization and its supply chain	In 2021, we opened 30 bases, totaling 147, an increase of 26% compared to 2020, when there were 117.	
	102-11 Principle or approach on precaution	Although Azul does not formally adhere to the principle, we have some measures in place to manage our significant environmental aspects in order to minimize their impacts.	
	102-12 External initiatives	<u>31; 44</u>	
	102-13 Participation in associations	<u>31</u>	
Strategy			
General Content 2016	102-14 Statement by the main decision maker	<u>8-9</u>	
	102-15 Main impacts, risks and opportunities	<u>19</u>	
Ethics and integrity			
General Content 2016	102-16 Values, principles, standards and norms of behavior	<u>11; 30; 37; 43</u>	
	102-17 Mechanisms for ethics guidance and concerns	<u>47</u>	

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	Disclosure Item	GRI Standards	Page and/or content	Reason for Omission
Governance				
General Content 2016	102-18	Governance structure	38-39	
	102-35	Remuneration policies	91	
Stakeholders' Engagement				
General Content 2016	102-40	List of stakeholder groups	77	
	102-41	Collective bargaining agreements	100% of our Crew members are covered by collective bargaining agreements.	
	102-42	Identification and selection of stakeholders	77	
	102-43	Approach on stakeholder engagement	33 ; 78 ; 82 ; 92-93 ; 100	
	102-44	Main topics and concerns raised	34-35	
Reporting Practices				
General Content 2016	102-45	Entities included in the financial statements	This report presents information on all companies and business units of the group: Azul S.A., Azul Linhas Aéreas Brasileiras, TudoAzul, Azul Viagens, Azul Cargo Express and Azul Conecta, unless otherwise noted.	
	102-46	Content report, definition and limits	6 ; 34	
	102-47	Material topics list	34	
	102-48	Information reformulation	There was no restatement of information provided in previous reports.	
	102-49	Changes in the report	In 2021, the material topics were reviewed, including "Climate Change Management" and "Eco-efficiency". The theme "Diversity, Equity and Inclusion" was also considered strategic and is reported in this report.	
	102-50	Reporting period	5	
	102-51	Most recent report date	Sustainability Report 2020, published in June 2021.	
	102-52	Reporting cycle	5	
	102-53	Contact point for questions about the report	7	
	102-54	Reporting statement in accordance with gri standards	5	
	102-55	Gri content index	118-128	
102-56	External verification	5		

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	Disclosure Item	GRI Standards	Page and/or content	Reason for Omission
Market Presence				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its limit	83	
	103-2	Management method and its components	83	
	103-3	Evaluation of the form of management	83	
GRI 202 Market Presence 2016	202-1	Ratio between the lowest wage and the local minimum wage, with discrimination by gender	The ratio between the lowest salary paid by Azul and the local minimum wage is 1.25 for both men and women.	
	202-2	Proportion of board members hired from the local community	There are no members of the local community in the positions of director, vice president or president.	
Indirect Economic Impacts				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its limit	95 ; 109-110	
	103-2	Management method and its components	25 ; 95 ; 110 ; 115	
	103-3	Evaluation of the form of management	95 ; 110	
GRI 203 Indirect Economic Impacts 2016	203-1	Investments in infrastructure and support services	111-112 ; 115	
	203-2	Significant indirect economic impacts	112 ; 115	
Fight Against Corruption				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its limit	45-46	
	103-2	Management method and its components	45-46	
	103-3	Evaluation of the form of management	45-46	
GRI 205 Fight Against Corruption 2016	205-1	Operations evaluated for risks related to corruption	50	
	205-2	Communication and training in anti-corruption policies and procedures	48-49	
	205-3	Confirmed cases of corruption and actions taken	46	

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	Disclosure Item	GRI Standards	Page and/or content	Reason for Omission
Unfair Competition				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its limit	37 ; 45	
	103-2	Management method and its components	37 ; 45	
	103-3	Evaluation of the form of management	37 ; 45	
GRI 206 Unfair Competition 2016	206-1	Lawsuits for unfair competition, trust and monopoly practices	Two annulment actions filed by Azul are pending, questioning fines imposed by CADE upon the acquisition of Trip in 2012. These fines were imposed by CADE due to untimeliness and alleged error of information when notifying code sharing agreements ("codeshare"). Currently, codeshare contracts do not require prior notification to be entered into.	
Material				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its limit	56 ; 71	
	103-2	Management method and its components	71	
	103-3	Evaluation of the form of management	71	
GRI 301 Materials 2016	301-1	Materials used, broken down by weight or volume	72	
Energy				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its boundary	56 ; 63 ; 73	
	103-2	Management method and its components	63-65 ; 69-70 ; 72-73	
	103-3	Evaluation of the form of management	73	
GRI 302 Energy 2016	302-1	Energy consumption within the organization	73	

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	Disclosure Item	GRI Standards	Page and/or content	Reason for Omission
Emissions				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its boundary	<u>56-58</u>	
	103-2	Management method and its components	<u>27</u> ; <u>58-62</u> ; <u>65</u> ; <u>67</u> ; <u>116</u>	
	103-3	Evaluation of the form of management	<u>58-62</u>	
GRI 305 Emissions 2016	305-1	Direct emissions (scope 1) of greenhouse gases (GHG)	<u>60</u>	
	305-2	Indirect emissions (scope 2) of greenhouse gases (GHG) from energy acquisition	<u>60</u>	
	305-3	Other indirect emissions (scope 3) of greenhouse gases (GHG)	<u>61</u>	
	305-4	Intensity of greenhouse gas (GHG) emissions	<u>60</u>	
	305-7	NO _x , SO _x and other significant atmospheric emissions	<u>61</u>	
Waste				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its boundary	<u>56</u> ; <u>74</u>	
	103-2	Management method and its components	<u>68</u> ; <u>74-75</u>	
	103-3	Evaluation of the form of management	<u>74-75</u>	
GRI 306 Waste 2020	306-1	Waste generation and significant waste-related impacts	<u>74</u>	
	306-2	Management of significant waste-related impacts	<u>74</u>	
	306-3	Generated waste	<u>74</u>	

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	Disclosure Item	GRI Standards	Page and/or content	Reason for Omission
Environmental Assessment of Suppliers				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its boundary	<u>43</u> ; <u>45</u>	
	103-2	Management method and its components	<u>43</u> ; <u>45</u>	
	103-3	Evaluation of the form of management	<u>43</u> ; <u>45</u>	
GRI 308 Environmental Assessment of Suppliers 2016	308-1	New suppliers selected based on environmental criteria	<u>43</u>	
Work Relationships				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its boundary	<u>45</u>	
	103-2	Management method and its components	<u>45</u>	
	103-3	Evaluation of the form of management	<u>45</u>	
GRI 402 Labor Relations 2016	402-1	Minimum notice period about operational changes	<p>Azul has formal processes of communication and involvement of stakeholders, such as unions and employees, for the notice of important operational changes, where contractual clauses are respected.</p> <p>Regarding the crew schedule, it is published until the 20th of the month prior to the schedule. Crew members are guaranteed the remuneration of the stages that were planned, and any operational problems are solved with crew reserve hours, which are already considered in the operational scale planning.</p>	

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	Disclosure Item	GRI Standards	Page and/or content	Reason for Omission
Health and Safety				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its boundary	<u>53-54</u>	
	103-2	Management method and its components	<u>53-54</u>	
	103-3	Evaluation of the form of management	<u>53-54</u>	
GRI 403 Occupational Health and Safety 2018	403-1	Occupational health and safety management system	<u>98</u>	
	403-2	Hazard identification, risk assessment and incident investigation	<u>98</u>	
	403-3	Occupational health services	<u>98</u>	
	403-4	Worker participation, consultation and communication with workers regarding health and safety at work	<u>98</u>	
	403-5	Training of workers in occupational health and safety	<u>98</u>	
	403-6	Promotion of worker's health	<u>96-97</u>	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	<u>98</u>	
	403-8	Workers covered by an occupational health and safety management system	<u>98</u>	
	403-9	Work accidents	<u>99</u>	
	403-10	Professional diseases	No fatalities were recorded as a result of work-related health problems. Seven cases of problems of this nature were recorded, the main ones being related to musculoskeletal issues.	

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	Disclosure Item	GRI Standards	Page and/or content	Reason for Omission
Training and Education				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its boundary	<u>88-91</u> ; <u>94</u>	
	103-2	Management method and its components	<u>88-91</u> ; <u>94</u>	
	103-3	Evaluation of the form of management	<u>88-91</u> ; <u>94</u>	
GRI 404 Training and Education 2016	404-1	Average hours of training per year, per employee	Although the data presented in this report is not by job category, as directed by the GRI Standard, it is possible to analyze information on hours of training on page <u>89</u>	
	404-2	Programs for improving employee skills and career transition assistance	<u>88-91</u> ; <u>94</u>	
	404-3	Percentage of employees receiving regular performance and career development reviews	<u>90</u>	
Diversity and Equal Opportunity				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its boundary	<u>83-85</u>	
	103-2	Management method and its components	<u>26</u> ; <u>83-85</u>	
	103-3	Evaluation of the form of management	<u>83-85</u>	
GRI 405 Diversity and Equal Opportunities 2016	405-1	Diversity in governance bodies and employees	<u>80</u> ; <u>86-87</u>	
	405-2	Ratio of base salary and remuneration received by women and those received by men	<u>87</u>	

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	Disclosure Item	GRI Standards	Page and/or content	Reason for Omission
Non-Discrimination				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its boundary	<u>45</u> ; <u>83-85</u>	
	103-2	Management method and its components	<u>45</u> ; <u>83-85</u>	
	103-3	Evaluation of the form of management	<u>45</u> ; <u>83-85</u>	
GRI 406 Non-Discrimination 2016	406-1	Discrimination cases and corrective measures taken	<u>83</u>	
Local Communities				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its boundary	<u>110</u> ; <u>113</u>	
	103-2	Management method and its components	<u>64</u> ; <u>110</u> ; <u>113-115</u>	
	103-3	Evaluation of the form of management	<u>110</u> ; <u>113-114</u>	
GRI 413 Local Communities 2016	413-1	Engaged operations, impact assessments and local community development programs	<u>113-114</u>	
Social Assessment of Suppliers				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its boundary	<u>43</u> ; <u>45</u>	
	103-2	Management method and its components	<u>43</u> ; <u>45</u>	
	103-3	Evaluation of the form of management	<u>43</u> ; <u>45</u>	
GRI 414 Social Assessment of Suppliers 2016	414-1	New suppliers selected based on social criteria	<u>43</u>	

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	Disclosure Item	GRI Standards	Page and/or content	Reason for Omission
Consumer Health and Safety				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its boundary	<u>53-54</u>	
	103-2	Management method and its components	<u>53-54</u>	
	103-3	Evaluation of the form of management	<u>53-54</u>	
GRI 416 Consumer Health and Safety 2016	416-1	Assessment of health and safety impacts caused by product and service categories	<u>53-54</u>	
	416-2	Cases of non-compliance in relation to health and safety impacts caused by products and services	In 2021, no non-conformities were identified or recommendations issued by Organs supervisory bodies.	
Customer Privacy				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its boundary	<u>55</u>	
	103-2	Management method and its components	<u>55</u>	
	103-3	Evaluation of the form of management	<u>55</u>	
GRI 418 Customer Privacy 2016	418-1	Proven complaints regarding breaches of customer privacy and loss of customer data	<u>55</u>	
Socioeconomic Compliance				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its boundary	<u>45</u>	
	103-2	Management method and its components	<u>45</u>	
	103-3	Evaluation of the form of management	<u>45</u>	
GRI 419 Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the socioeconomic area	In 2021, Azul paid BRL 2,632,099.85 for significant non-compliance with laws and/or regulations in the socioeconomic area (civil, tax and labor). Fines in excess of R\$1 million are considered significant, as they generate financial impact and company exposure.	

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	Disclosure Item	GRI Standards	Page and/or content	Reason for Omission
Own topic: Relationship with Partners*				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its boundary	43	
	103-2	Management method and its components	43 ; 116	
	103-3	Evaluation of the form of management	43	
Own topic: Innovation and Technological Updating*				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its boundary	101 ; 104-107	
	103-2	Management method and its components	101 ; 104-107	
	103-3	Evaluation of the form of management	101 ; 104-107	
Own topic: Customer Experience*				
GRI 103 Management Approach 2016	103-1	Explanation of the material topic and its boundary	100-107	
	103-2	Management method and its components	100-107	
	103-3	Evaluation of the form of management	100-107	

*Performance indicators for our own topics are being defined by Azul and will be reported in future reports.

SASB INDEX

SASB Topic	Code	Reporting metric	Page and/or content
Green House Gases Emissions	TR-AL-110a.1	Scope 1 gross global emissions	2,474,302.405 tons of CO ₂
	TR-AL-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emission reduction targets and a performance review against the targets	pages 59-60
	TR-AL-110a.3	Percentage of consumed fuel, percentage of alternative fuel and of sustainable fuel	42,048,656.88 GJ. Azul didn't utilize alternative/sustainable fuel in 2021
Labor Practices	TR-AL-310a.1	Percentage of active workforce covered under collective agreements	100% of employees are covered by collective bargaining agreements.
	TR-AL-310a.2	Number of worker strikes and total idle days	There were no worker strikes in 2021.
Competitive Behavior	TR-AL-520a.1	Financial losses due to lawsuits for anti-competitive conduct and the corrective actions taken	There were no significant losses in 2021 as the actions are ongoing.
Accident and Safety Management	TR-AL-540a.1	Implementation description and the results of a safety management system	pages 53-54
	TR-AL-540a.3	Number of aviation security measures taken by the government	One ANAC inspection action was carried out in 2021, with no certificate suspension/revocation.
Activity Metrics	TR-AL-000.A	Available Seat Kilometers (ASK) – Number of seats multiplied by kilometers traveled	31,386,335.40
	TR-AL-000.B	Passenger load factor	79.18%
	TR-AL-000.C	Revenue Passenger Kilometers (RPK) – number of paying passengers transported per kilometer	24,850,634,678.00
	TR-AL-000.D	Revenue Ton Kilometers (RTK) – the product of the volume of tons transported per kilometers traveled	2,478,935,362.00



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The 2021 Sustainability Report is a corporate publication of Azul Linhas Aéreas Brasileiras.

General Coordination

Sustainability

Editorial Coordination

Quintal 22 Comunicação Integrada

Graphic Design and Layout

Adesign

GRI and SASB Consulting

BSD Consulting, an ELEVATE Company

Translation

English City School

Photos

Azul image data base
Shutterstock

